



SAFETY & ENFORCEMENT DIVISION
CALIFORNIA PUBLIC UTILITIES COMMISSION

INVESTIGATIVE REPORT
INTO THE OPERATIONS AND PRACTICES OF
PACIFIC GAS & ELECTRIC COMPANY'S DAMAGE
PREVENTION AND LOCATE & MARK PROGRAMS

PUBLIC

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I. SUMMARY

Beginning in 2016 and continuing through mid-2017, Safety & Enforcement Division (“SED”) of California Public Utilities Commission (CPUC or Commission) was notified and learned that Pacific Gas and Electric Company (“PG&E”) had possibly falsified its records related to its compliance with the Damage Prevention Program required under Title 49 Code of Federal Regulations Section 192.614, and SED initiated a preliminary investigation into the Operations and Practices of PG&E’s Damage Prevention, and Locate and Mark programs.

In PG&E’s June 6, 2017 response (PG&E Index 10707.08) to a data request, PG&E admitted that a number of late Underground Service Alert (USA) tickets¹ were incorrectly identified as on-time in its system but would have been late if processed correctly per PG&E’s procedures.² These late tickets were also excluded from the late ticket counts previously reported to SED.³ Through its preliminary investigation, SED determined that false report of late tickets as on-time was a result of PG&E’s falsification in its Locate and Mark records to avoid tickets appearing as late. PG&E was aware about the falsification of its records by its employees and found such instances at least as early as 2009.⁴

On May 2, 2018, PG&E sent a letter⁵ to SED Director attaching an investigative report (“Guidepost Report”) by Guidepost LLC⁶ (“Guidepost”) and a report updating the number of PG&E’s late tickets between January 2012 and February 2017 by Bates White LLC⁷ (“Bates White”). The Guidepost Report indicates the following: insufficient Locate and Mark staffing,⁸

¹ The term, “late ticket” or “late USA ticket”, refers to a ticket that PG&E did not respond to by the required date and time in accordance with California Government Code § 4216 and PG&E’s procedures.

² See Attachment 2 - PG&E’s response (Index 10707.08 Supp02), p. 2.

³ See Attachment 2 - PG&E’s response (Index 10707.08 Supp02), p. 2.

⁴ See Attachment 3 - Guidepost Report, p. 14.

⁵ See Attachment 4 - May 2, 2018 Letter to SED Director.

⁶ On September 1, 2017, PG&E selected Guidepost to investigate the reasons why PG&E’s late USA tickets falsely reported as on-time.

⁷ PG&E hired Bates White, an economic consulting firm, to determine which tickets should be properly categorized as late during the period of January 1, 2012 to February 28, 2017.

⁸ See Attachment 3 - Guidepost Report, p. 7.

inherent pressure on locators² to complete the work,¹⁰ added pressure from the [REDACTED] to avoid any late tickets,¹¹ falsification of records designed to avoid criticism for lack of timeliness,¹² and failure to recognize and/or failure to report the inaccuracy of timeliness data created by these factors.¹³ Bates White's updated annual late tickets counts¹⁴ between 2012 and 2016 were tens of thousands higher than the PG&E's internal annual late tickets counts for these years.¹⁵ See Table 1 for a comparison of late tickets counts. Each late ticket is a violation of the California Government Code Section 4216 as well as PG&E's own damage prevention procedures.¹⁶

PG&E's failure to properly address the practice of falsifying its Locate and Mark records resulted in PG&E undercounting its late tickets each year between 2012 and 2016 on the order of tens of thousands. SED notes that PG&E also undercounted at least 5,000 late tickets for the first two months of 2017.¹⁷

SED is concerned that accurate counts of late tickets would have allowed PG&E to make better decisions on its staffing and could have improved PG&E's on-time performance responding to excavation notification or USA requests, and thereby reduce the risk of an actual

² See Attachment 3 - Guidepost Report, p. 7. In the Guidepost Report, "locators" refer to employees who actually perform the locate and mark function. Throughout this report, the term, "locators", also refers broadly to personnel working for PG&E. This includes PG&E employees, contractors, and others who located and marked facilities for PG&E.

¹⁰ See Attachment 3 - Guidepost Report, p. 7.

¹¹ See Attachment 3 - Guidepost Report, p. 7.

¹² See Attachment 3 - Guidepost Report, p. 7-8.

¹³ See Attachment 3 - Guidepost Report, p. 8.

¹⁴ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49 for Bates White's late tickets counts. Bates White's counts are also shown in Table 1 and Figure 12.

¹⁵ See Attachment 5 - Index 10707-08 2012 to February 2017 PG&E Total Late Tickets Count.

¹⁶ See Attachment 6 - PG&E procedure WP4412-03, p. 2. PG&E's WP4412-03 was published in August 2009 and it states that, "Locate and mark USA tickets within 2 working days or before the start of the excavation, whichever is later. A later time may be mutually agreed upon with the excavator."

See Attachment 7 and 8, p. 3. PG&E's TD-4412P-03 was published in 2012 and it states that, "Locate and mark USA tickets within 2 working days or before the start of the excavation, whichever is later. A later time may be mutually agreed upon with the excavator."

See Attachment 9, 10, and 11, p. 3. PG&E's TD-5811P-102 was published on October 31, 2013 and it states that, "Due Date is the date/time the ticket is due. Tickets MUST be responded to within 2 workdays, excluding weekends and holidays OR by the start date of the excavation, whichever is greater."

¹⁷ See Table 1.

or potential dig-in. SED found that PG&E's late locate and mark response was related to a gas incident that occurred in San Jose, CA in 2014.¹⁸ As also discussed later, each failure of PG&E to respond to an USA request in a timely fashion increased the risk of another catastrophic gas incident, regardless of whether there was an actual hit or "dig-in" on PG&E's infrastructure, or not. Next, as acknowledged by PG&E's [REDACTED], by undercounting the number of late tickets in real time, PG&E has not correctly identified the number of times in which it is not following the locate and mark safety requirements.¹⁹ As also acknowledged by PG&E's [REDACTED], by undercounting the number of late tickets in real time, PG&E could have miscalculated the fault associated with a dig-in.²⁰

¹⁸ See Attachment 12 - SED Incident Investigation Report (San Jose, CA - Nov 2014), p. 7.

¹⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 103, lines 1-17.

²⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 104, lines 3-8.

TABLE 1
Late Tickets Counts Reported to SED

PG&E Index or Document	Date Reported to SED	2012	2013	2014	2015	2016	2017
9623.03 ²¹	28-Sep-16			13,391	3,385	20 (January - June)	
9623.03 ²²	1-Dec-16		13,547				
10658.02 ²³	24-Mar-17		13,547	13,391	3,385	44	
10707.08 ²⁴	19-Apr-17	4,623	13,547	13,391	3,385	44	8 (January - February)
Below is the Number of Late Tickets Identified out of the Number of Tickets Reviewed by PG&E's Quality Management Team							
10707.08 Supp02 ²⁵	6-Jun-17	96 out of 2,396	84 out of 1,319	77 out of 1,565	30 out of 1,702	40 out of 1,984	8 out of 563 (January - May)
Below is Annual Late Tickets Count Updates After PG&E Engaged Bates White							
11718.01 ²⁶	23-Feb-18	44,794	51,272	47,589	61,114	55,666	
Late Ticket Logic and Count by Bates White ²⁷	2-May-18	13,062	28,829	27,736	32,985	30,684	5,543 (January - February)

²¹ See Attachment 14 - Index 9623.03 2014 to June 2016 PG&E On-Time and Late Tickets Count.

²² See Attachment 15 - Index 9623.03 2013 PG&E On-Time and Late Tickets Count.

²³ See Attachment 16 - PG&E's response (Index 10658), p. 2-3.

²⁴ See Attachment 5 - Index 10707.08 2012 to February 2017 PG&E Total Late Tickets Count.

²⁵ See Attachment 2 - PG&E's response (Index 10707.08 Supp02), p. 3.

²⁶ See Attachment 17 - PG&E's response (Index 11718), p. 2.

²⁷ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

II. BACKGROUND ON DAMAGE PREVENTION FOR NATURAL GAS PIPELINE

Excavation damage is one of the leading causes of gas pipeline incidents.²⁸ To reduce the risk of excavation damage to underground gas pipelines, gas pipeline operators are required to develop or follow a damage prevention program. Whenever a gas pipeline operator receives a notification of planned excavation activity,²⁹ the pipeline operator must follow its damage prevention program and State requirements to provide for temporary marking of buried pipelines in the area of excavation activity within a prescribed period of time. Given these time prescriptions, as much as practical, the operator will provide the temporary marking before the activity begins.

Pipeline and Hazardous Material Safety Administration (PHMSA), acting through the Office of Pipeline Safety (OPS), administers the national regulatory program to assure the safe transportation of natural gas, petroleum, and other hazardous materials by pipeline. PHMSA develops regulations and other approaches to risk management, to assure safety in design, construction, testing, operation, maintenance, and emergency response of pipeline facilities. These federal requirements are set forth in Title 49, Code of Federal Regulations, Part 192 (49 CFR § 192).

The federal regulations can be classified into two distinct types of requirements - prescriptive and performance based. A prescriptive regulation typically prescribes an exact requirement. Performance based regulation provides a general goal that must be met, and the gas operator is required to develop internal procedures to meet the goal. The gas operator normally has great leeway in developing procedures, but these internal procedures then become a legal requirement and must be strictly followed.

The central issue with this investigation concerns PG&E's locate and mark practices. 49 CFR § 192.614(a) requires each operator of a buried pipeline to carry out a written program to prevent damage to its pipeline from excavation activities. A well planned and operated damage prevention program will facilitate pre-excavation communication between parties. Such pre-

²⁸ See Attachment 18 - National Pipeline Incident Data. Excavation damage accounts for 14.6% of all reported incidents for the period of 1998 to 2017 based on PHMSA's data.

²⁹ See 49 CFR § 192.614. "Excavation activities" includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earth moving operations.

excavation communication thereby minimizes the chance that excavation activities will commence before the operator properly locates and marks pipelines in the identified excavation area. Such pre-excavation communication also reduces the chances of marking pipelines too far in advance of excavation. Both the gas pipeline operators and excavators in California need to establish proper pre-excavation communication following the requirements in California Government Code section 4216 (California Government Code § 4216). Essentially, a gas pipeline operator must respond to a notification of planned excavation activity in a timely manner unless both parties mutually agree to a later start date and time, or otherwise agree to the sequence and timeframe in which the gas pipeline operator will locate and field mark.³⁰

A. Damage Prevention Standards At Issue

- 49 CFR § 192.603(b)—Record Keeping
- 49 CFR § 192.605(a)—Compliance with operator’s rule for conducting operations and maintenance activities
- 49 CFR § 192.614—Damage Prevention Program
- California Government Code § 4216—California Excavation Requirements

III. Federal Pipeline Operation Requirements (49 CFR Part 192 Subpart L Sections 601-631)

A. Record Keeping Requirement (49 CFR § 192.603(b))

Each operator shall keep records necessary to administer the procedures established under 49 CFR § 192.605.

B. Operations, Maintenance, and Emergencies Procedural Manual Requirement (49 CFR § 192.605(a))

Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.

C. Damage Prevention Requirements (49 CFR § 192.614)

Each operator of a buried pipeline is required to have a written program to prevent damage to its pipeline by excavation activities. The written procedures should state the purpose and objectives of the damage prevention program, and provide methods and procedures to achieve them. The damage prevention program also needs to address a number of minimum

³⁰ See California Government Code § 4216.3.

requirements under 49 CFR § 192.614(c). In particular, an operator must perform the duties of 49 CFR § 192.614(c)(3)³¹ through participation in a one-call system, if that one-call system is a qualified one-call system.³²

Section IV of this report discusses the procedures that PG&E prepared to meet the requirements in 49 CFR § 192.614. In particular, SED focuses on PG&E's procedures for USA tickets renegotiation.³³

IV. PG&E's LOCATE AND MARK PROCEDURES ON USA TICKETS RENEGOTIATION

Table 2 is a list of PG&E's Locate and Mark procedures, from 2009 to 2017, pertaining to USA tickets renegotiation.

A. WP-4412P-03 (Marking and Locating PG&E Underground Facilities)

PG&E's procedure WP-4412P-03 was published in August of 2009.³⁴ As stated in the procedure, "Locate and mark USA tickets within 2 working days or before the start of the excavation, whichever is later. A later time may be mutually agreed upon with the excavator."³⁵ Under section "Complete the USA Ticket", the procedure states, "Document all actions taken" and "Document all conversations and commitments with the excavator."³⁶

B. TD-4412P-03 (Marking and Locating PG&E Underground Facilities) and TD-4412P-03-JA10 (Standard Responses IRTF Field Unit)

PG&E's procedure TD-4412P-03 was published in 2012.³⁷ As stated in the procedure, "Locate and mark USA tickets within 2 working days or before the start of the excavation,

³¹ 49 CFR § 192.614(c)(3) states that the damage prevention program must, "provide a means of receiving and recording notification of planned excavation activities."

³² See 49 CFR § 192.614(b). A one-call system is considered a "qualified one-call system" if it meets the requirements of section 49 CFR § 192.614(b)(1) or 49 CFR § 192.614(b)(2).

³³ The term, "renegotiation", refers to the process of PG&E locator negotiating with excavator on a new mutually agreeable excavation start date and time.

³⁴ See Attachment 6 - PG&E procedure WP4412-03.

³⁵ See Attachment 6 - PG&E procedure WP4412-03, p. 2.

³⁶ See Attachment 6 - PG&E procedure WP4412-03, p. 7.

³⁷ See Attachment 19 - PG&E's response (Index 11333), p. 3. See Attachment 7 and Attachment 8 for PG&E procedures TD-4412P-03 Rev0 and Rev1.

whichever is later. A later time may be mutually agreed upon with the excavator.”³⁸ The procedure also states that, “Make contact with excavators, as necessary, and document these contacts on USA tickets.”³⁹

On April 11, 2012, TD-4412P-03-JA10 was published.⁴⁰ This procedure provided guidance on how to use IrthNet⁴¹ response to document information on a ticket, which included information related to renegotiation. According to this procedure, the “Respond to Open Ticket” response was “often used when the locator has contacted the excavator and negotiated a new start time.”⁴² Actions when using this response were documenting the new start date and time, documenting the name of the person spoken with, and keeping the ticket open.⁴³ Revision 1 of this procedure was published on December 13, 2012 and added guidance on how to use the “Notification of New Start Time” as a IrthNet response.⁴⁴ The “Notification of New Start Time” response was, as stated in the procedure, “Only used when the locator has contacted the excavator and notified him/her of a new start time.”⁴⁵ Actions when using this response were documenting the new start date and time, documenting the name of the person spoken with, documenting the phone number of who the locator spoke with, documenting type of communication, and keeping the ticket open.⁴⁶

³⁸ See Attachment 7- PG&E Procedure TD-4412P-03 Rev0, p. 3 and Attachment 8 - PG&E procedure TD-4412P-03 Rev1, p. 3.

³⁹ See Attachment 7- PG&E Procedure TD-4412P-03 Rev0, p. 4 and Attachment 8 - PG&E procedure TD-4412P-03 Rev1, p. 4.

⁴⁰ See Attachment 20 - PG&E procedure TD-4412P-03-JA10 Rev0.

⁴¹ The term, “IrthNet”, refers to PG&E’s USA tickets management system or software.

⁴² See Attachment 20 - PG&E procedure TD-4412P-03-JA10 Rev0, p. 3.

⁴³ See Attachment 20 - PG&E procedure TD-4412P-03-JA10 Rev0, p. 3.

⁴⁴ See Attachment 21 - PG&E procedure TD-4412P-03-JA10 Rev1, p. 3.

⁴⁵ See Attachment 21 - PG&E procedure TD-4412P-03-JA10 Rev1, p. 3.

⁴⁶ See Attachment 21 - PG&E procedure TD-4412P-03-JA10 Rev1, p. 3.

C. Damage Prevention Handbook

On October 31, 2013, TD-5811P-102⁴⁷, TD-5811P-105⁴⁸ and TD-5811P-105-JA01⁴⁹ were published and included in the Damage Prevention Handbook. These procedures provided guidance on how to respond and document a ticket.

As stated in TD-5811P-102, “Due Date is the date/time the ticket is due. Tickets MUST be responded to within 2 workings days, excluding weekends and holidays OR by the start date of the excavation, whichever is greater... IF you’re unable to complete the entire ticket by the due date because of other relevant issues and you must renegotiate a new start time... IF a new start date and time was negotiated, THEN enter the following information in the USA ticket:

- Name and phone number of person with whom you agreed to phase ticket.
- Discussion details
- New start date and time
- Other pertinent information...”⁵⁰

TD-5811P-102 also required locators to immediately notify their supervisors and document details in USA tickets if the excavators could not be reached or renegotiated.⁵¹ According to PG&E’s response (PG&E Index 11333.03 Supp01), the Locate and Mark supervisors would assist the locators in contacting excavators who requested a ticket and were difficult to reach. If the requestor could not be reached by the start time, the ticket would be considered late.⁵² In addition, TD-5811P-105-JA01 states that, when using the “Notification of New Start Time” response, the method of contact should be phone conversation or field meet, and voice message was not acceptable.⁵³

⁴⁷ See Attachment 9 - PG&E procedure TD-5811P-102 Rev0, Attachment 10 - PG&E procedure TD-5811P-102 Rev1, and Attachment 11 - PG&E procedure TD-5811P-102 Rev2.

⁴⁸ See Attachment 22 - PG&E procedure TD-5811P-105 Rev0 and Attachment 23 - PG&E procedure TD-5811P-105 Rev1 for Rev 1.

⁴⁹ See Attachment 25 - PG&E procedure TD-5811P-105-JA01 Rev0.

⁵⁰ See Attachment 9 - PG&E procedure TD-5811P-102 Rev0, p. 3-6. See Attachment 10 - PG&E procedure TD-5811P-102 Rev1 at p. 3-6. See Attachment 11 - PG&E procedure TD-5811P-102 Rev2, p. 3-6.

⁵¹ See Attachment 9 - PG&E procedure TD-5811P-102 Rev0, p. 6. See Attachment 10 - PG&E procedure TD-5811P-102 Rev1, p. 6. See Attachment 11 - PG&E procedure TD-5811P-102 Rev2, p. 6.

⁵² See Attachment 24 - PG&E’s response (Index 11333), p. 5.

⁵³ See Attachment 25 - PG&E procedure TD-5811P-105-JA01 Rev0, p. 6 and Attachment 26 - PG&E procedure TD-5811P-105-JA01 Rev1, p. 6.

TABLE 2
PG&E's LOCATE AND MARK PROCEDURES

PG&E Procedure/ Bulletin Number	PG&E Procedure/ Bulletin Title	Publication Date
WP-4412P-03 ⁵⁴	Marking and Locating PG&E Underground Facilities	Aug-09
WP-4412P-03-JA10 Rev.0 ⁵⁵	Standard Responses IRTH ⁵⁶ Field Unit	4/26/2010
TD-4412P-03 Rev.0 ⁵⁷	Marking and Locating PG&E Underground Facilities	2012
TD-4412P-03 Rev.1 ⁵⁸	Marking and Locating PG&E Underground Facilities	4/11/2012
TD-4412P-03-JA10 Rev.0 ⁵⁹	Standard Responses IRTH Field Unit	4/11/2012
TD-4412P-03-JA10 Rev.1 ⁶⁰	Standard Responses IRTH Field Unit	12/13/2012
TD-5811P-102 Rev.0 ⁶¹	Determining Scope of Locate	10/31/2013
TD-5811P-105 Rev.0 ⁶²	Responding to a Ticket	10/31/2013
TD-5811P-105-JA01 Rev.0 ⁶³	Choosing the Correct Utilisphere TM ⁶⁴ Response	10/31/2013
TD-5811P-102 Rev.1 ⁶⁵	Determining Scope of Locate	3/31/2014
TD-5811P-102 Rev.2 ⁶⁶	Determining Scope of Locate	10/30/2015
TD-5811P-102 Rev.2a ⁶⁷	Determining Scope of Locate	10/30/2015

⁵⁴ See Attachment 6 - PG&E procedure WP4412-03.

⁵⁵ See Attachment 27 - PG&E procedure WP-4412-03-JA10 Rev0.

⁵⁶ The term, "IRTH" or "irthSolutions", refers to the irth Solutions Company.

⁵⁷ See Attachment 7 - PG&E Procedure TD-4412P-03 Rev0.

⁵⁸ See Attachment 8 - PG&E procedure TD-4412P-03 Rev1.

⁵⁹ See Attachment 20 - PG&E procedure TD-4412P-03-JA10 Rev0.

⁶⁰ See Attachment 21 - PG&E procedure TD-4412P-03-JA10 Rev1.

⁶¹ See Attachment 9 - PG&E procedure TD-5811P-102 Rev0.

⁶² See Attachment 22 - PG&E procedure TD-5811P-105 Rev0.

⁶³ See Attachment 25 - PG&E procedure TD-5811P-105-JA01 Rev0.

⁶⁴ The term, "Utilisphere", refers to PG&E's USA ticket management application. "IrthNet" is a version of "Utilisphere" according to PG&E's IrthNet Administrator.

⁶⁵ See Attachment 10 - PG&E procedure TD-5811P-102 Rev1.

⁶⁶ See Attachment 11 - PG&E procedure TD-5811P-102 Rev2.

⁶⁷ See Attachment 28 - PG&E procedure TD-5811P-102 Rev2a.

TD-5811P-105 Rev.1 ⁶⁸	Responding to a Ticket	10/30/2015
TD-5811P-105 Rev.1a ⁶⁹	Responding to a Ticket	10/30/2015
TD-5811P-105-JA01 Rev.1 ⁷⁰	Choosing the Correct Utilisphere™ Response	10/30/2015

V. CALIFORNIA EXCAVATION REQUIREMENTS (CALIFORNIA GOVERNMENT CODE § 4216)

Planned excavations⁷¹ near subsurface installations⁷² are required to be conducted in a specified manner that protects the subsurface installations from damage. An excavator planning to conduct excavation needs to survey its proposed excavation site and makes a list of affected operators⁷³ of underground facilities at its job sites. After delineating⁷⁴ the excavation site, the

⁶⁸ See Attachment 23 - PG&E procedure TD-5811P-105 Rev1.

⁶⁹ See Attachment 29 - PG&E procedure TD-5811P-105 Rev1a.

⁷⁰ See Attachment 26 - PG&E procedure TD-5811P-105-JA01 Rev1.

⁷¹ See California Government Code § 4216(g). “Excavation” means any operation in which earth, rock, or other material in the ground is moved, removed, or otherwise displaced by means of tools, equipment, or explosives in any of the following ways: grading, trenching, digging, ditching, drilling, augering, tunneling, scraping, cable or pipe plowing and driving, or any other way.

⁷² See California Government Code § 4216(s). “Subsurface installation” means any underground pipeline, conduit, duct, wire, or other structure, except nonpressurized sewerlines, nonpressurized storm drains, or other nonpressurized drain lines.

⁷³ See California Government Code § 4216(o). “Operator” means any person, corporation, partnership, business trust, public agency, or other entity that owns, operates, or maintains a subsurface installation. For purposes of Section 4216.1, an “operator” does not include an owner of real property where subsurface installations are exclusively located if they are used exclusively to furnish services on that property and the subsurface facilities are under the operation and control of that owner.

⁷⁴ See California Government Code § 4216(d). “Delineate” means to mark in white the location or path of the proposed excavation using the guidelines in Appendix B of the “Guidelines for Excavation Delineation” published in the most recent version of the Best Practices guide of the Common Ground Alliance. If there is a conflict between the marking practices in those guidelines and other provisions of this article, this article shall control. “Delineation” also includes physical identification of the area to be excavated using alternative marking methods, including, but not limited to, flags, stakes, whiskers, or a combination of these methods, if an excavator makes a determination that standard delineation may be misleading to those persons using affected streets and highways, or be misinterpreted as a traffic or pedestrian control, and the excavator has contacted the regional notification center to advise the operators that the excavator will physically identify the area to be excavated using alternative marking methods.

excavator needs to notify the appropriate regional notification center.⁷⁵ Then the members⁷⁶ of the regional notification center will be notified about the planned excavation. The excavator will get a list of operators notified by the regional notification center and need to compare it with the list of affected operators determined during its survey of the proposed excavation site. The excavator should contact any affected operator at their job site who is not a member of the regional notification center.

Upon receipt of a notification of planned excavation, an operator needs to examine its underground facility records and respond to the excavator. The operator needs to mark its facility, provide information about the location of its facility, or advise the excavator of clearance. Depending on the workload, the operator may contact the excavator to try to negotiate a new start date and time for the excavation.

A. Requirement of Participating in a Regional Notification Center (California Government Code § 4216.1)

Every operator of a subsurface installation, except the California Department of Transportation, is required to become a member of, participate in, and share in the costs of, a regional notification center. The two regional notification centers in California are USA North 811 for Northern/Central California and DigAlert for Southern California.

B. Excavator Requesting for Locating and Field Marking of Subsurface Installations (California Government Code §§ 4216.2(a), (b), (e), and (g))

An excavator planning to conduct an excavation is required to delineate the area of excavation before notifying the regional notification center. Except in an emergency,⁷⁷ the notification should be made at least two working days and not more than 14 calendar days before the start of the excavation. The date of the notification does not count as part of the two-working-day notice. If an excavator gives less notice than the legal excavation start date and time⁷⁸ and the excavation is not an emergency, an operator has until the legal excavation start

⁷⁵ USA North 811 is the regional notification center for Northern/Central California. DigAlert is the regional notification center for Southern California.

⁷⁶ See Attachment 30 - list of USA North 811 members as of March 16, 2018.

⁷⁷ See California Government Code § 4216(f)(1). “Emergency” means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.

⁷⁸ See California Government Code § 4216(l). “Legal excavation start date and time” means two

date and time to respond. However, an excavator and an operator may mutually agree to a different notice and start date.

The regional notification center will provide a ticket, also known as USA ticket, to the person who contacts the center and notify any member, if known, who has a subsurface installation in the area of the proposed excavation. This USA ticket is valid for 28 days from the date of issuance. If work continues beyond 28 days, the excavator needs to renew the ticket by the end of the 28th day.

Unless an emergency exists, an excavator must not begin excavation until it receives a response from all known operators of subsurface installations within the delineated boundaries of the proposed area of excavation.

C. Operator Responding to a USA Ticket (California Government Code § 4216.3(a)(1)(A))

Unless the excavator and operator mutually agree to a later start date and time, or otherwise agree to the sequence and timeframe in which the operator will locate and field mark, an operator is required to do one of the following before the legal excavation start date and time:

- Locate and field mark within the area delineated for excavation and, where multiple subsurface installations of the same type are known to exist together, mark the number of subsurface installations.
- To the extent and degree of accuracy that the information is available, provide information to an excavator where the operator's active or inactive subsurface installations are located.
- Advise the excavator it operates no subsurface installations in the area delineated for excavation.

D. Maintaining Notification Records (California Government Code § 4216.2(f))

A record of all notifications by an excavator or operator to the regional notification center shall be maintained for a period of not less than three years. The record shall be available for inspection by the excavator and any member, or their representative, during normal working

working days, not including the date of notification, unless the excavator specifies a later date and time, which shall not be more than 14 calendar days from the date of notification. For excavation in an area of continual excavation, "legal excavation start date and time" means two working days, not including the date of notification, unless the excavator specifies a later date and time, which shall not be more than six months from the date of notification.

hours and according to guidelines for inspection as may be established by the regional notification centers.

E. Important Changes with California Government Code § 4216 Effective in 2017

Amendments were made to California Government Code § 4216 in 2017. Some of the changes significantly impact the process of requesting and responding to a USA ticket. The following is a list of some important changes that became effective on January 1, 2017:

- Delineation of the proposed excavation site by the excavator is mandatory.
- An operator may, at the operator's discretion, choose not to locate and field mark until the area to be excavated has been delineated.
- An excavator needs to notify the regional notification center at least two working days, not including the date of notification, before the excavation. Prior to 2017, the date of notification was included in the two working day timeline.
- Working day is defined.⁷⁹
- California Government Code § 4216.2(g)⁸⁰ is added to prohibit excavator from beginning its excavation before receiving a response from all known operators within the delineated boundaries. Although this requirement was not included in California Government Code § 4216 prior to 2017, a similar requirement can be found in California Code of Regulations, Title 8, Section 1541.⁸¹

⁷⁹ See California Government Code § 4216(v). "Working day" for the purposes of determining excavation start date and time means a weekday Monday through Friday, from 7:00 a.m. to 5:00 p.m., except for federal holidays and state holidays, as defined in Section 19853, or as otherwise posted on the Internet Web site of the regional notification center.

⁸⁰ California Government Code § 4216.2(g) states that, "Unless an emergency exists, an excavator shall not begin excavation until the excavator receives a response from all known operators of subsurface installations within the delineated boundaries of the proposed area of excavation pursuant to subdivision (a) of Section 4216.3 and until the completion of any onsite meeting, if required by subdivision (c)."

⁸¹ California Code of Regulations, Title 8, Section 1541(b)(1)(A) states that, "Excavation shall not commence until: 1. The excavation area has been marked as specified in Government Code Section 4216.2 by the excavator; and 2. The excavator has received a positive response from all known owner/operators of subsurface installations within the boundaries of the proposed project; those responses confirm that the owner/operators have located their installations, and those responses either advise the excavator of those locations or advise the excavator that the owner/operator does not operate a subsurface installation that would be affected by the proposed excavation."

VI. GUIDEPOST INVESTIGATION FOUND PG&E FALSIFYING LOCATE AND MARK RECORDS TO AVOID LATE TICKETS

On September 1, 2017, PG&E selected Guidepost to investigate the reasons why PG&E's late USA tickets falsely reported as on-time. Guidepost introduced itself, in its report, as a "global leader in investigations, due diligence, security and technology consulting, immigration and cross-border consulting, and monitoring and compliance solutions."⁸² According to its report, Guidepost had submitted a proposal on August 18, 2017 and was subsequently selected to perform this investigation.⁸³ This investigation centered upon the reasons underlying the discrepancy between the reported late tickets and actual late tickets. In particular, PG&E sought to determine the reason and the point in time when these discrepancies began, as well as whether certain senior officers had been aware of it.⁸⁴ SED notes that its pre-formal investigation began on April 28, 2016 when SED met with PHMSA about the reported concern of falsification of Locate and Mark records. SED's earliest inquiry of PG&E's late tickets data was made on June 8, 2016. PG&E notified SED, on August 4, 2017, that it was identifying an independent third-party firm to conduct an investigation on under-counting late tickets issue.⁸⁵ According to its report, Guidepost was selected to perform this investigation on September 1, 2017.⁸⁶

The Executive Summary of the Guidepost Investigation Report noted:

- 1) PG&E's locators made false notations in their records to stop the "48-hour clock"⁸⁷ so records would appear timely instead of late;⁸⁸

⁸² See Attachment 3 - Guidepost Report, p. 3.

⁸³ See Attachment 3 - Guidepost Report, p. 5.

⁸⁴ See Attachment 3 - Guidepost Report, p. 4-5.

⁸⁵ See Attachment 31 - PG&E's Locate and Mark SED Update on August 4, 2017, p. 11.

⁸⁶ See Attachment 3 - Guidepost Report, p. 5.

⁸⁷ See Attachment 3 - Guidepost Report, p. 4. The "48-hour" requirement in the Guidepost report related to the California Government Code Section 4216. As stated in the Guidepost Report, "Because the law ('hereafter' '4216') allows as little as two working days' notice, in actual practice, the requirement is treated as a requirement of action within 48 hours and PG&E operated on that basis in the years in question. We will therefore refer to this legal requirement accordingly."

⁸⁸ See Attachment 3 - Guidepost Report, p. 7.

- 2) The practices mentioned above were common knowledge among Locate and Mark supervisors, and certain leaders also knew or should have known of these practices;⁸⁹
- 3) In the face of rising numbers of ticket and continuing staffing challenges, and in the face of indicators that locators were falsifying records, Locate and Mark leadership claimed to have reduced late tickets to implausibly low levels.⁹⁰

A. PG&E's ██████ Knew the Practices of Falsifying Locate and Mark Records

Guidepost indicated that the practices of falsifying Locate and Mark records to “stop the 48-hour clock” were common knowledge among Locate and Mark supervisors, and “certain leaders also knew or should have known of these practices.”⁹¹ Based on SED’s review of the report, one such leader is ██████, who joined PG&E ██████. He had direct responsibility for damage prevention matters.⁹² ██████ ██████ called ██████ the ██████”⁹³ ██████.⁹⁴ ██████ whose responsibilities included ██████.⁹⁵ In multiple instances listed below, the Guidepost Report directly and indirectly shows that ██████, knew of issues regarding locator tardiness, and also knew of PG&E’s practice of falsifying records. In the words of the Guidepost Report,

- “█████, who also joined the Company ██████, had direct responsibility for these damage prevention efforts. In keeping with this responsibility, ██████ embarked on a ‘listening tour’ in the Damage Prevention department. He learned that among other things which could be improved, locator timeliness was an issue. Additionally, as ██████ told us, he was aware of the 2009 audit

⁸⁹ See Attachment 3 - Guidepost Report, p. 7.

⁹⁰ See Attachment 3 - Guidepost Report, p. 7.

⁹¹ See Attachment 3 - Guidepost Report, p. 7.

⁹² See Attachment 3 - Guidepost Report, p. 18.

⁹³ See Attachment 32 - Examination Under Oath transcript of ██████, p. 22, lines 23-28, and p. 23, line 1. According to ██████, “█████.”

⁹⁴ See Attachment 32 - Examination Under Oath transcript of ██████, p. 22, lines 13-22.

⁹⁵ See Attachment 3 - Guidepost Report, p. 18.

which identified issues regarding the accuracy of late ticket data, and of the 2012 audit.”²⁶

- “A supervisor, [REDACTED], told us of a meeting in 2012, during which [REDACTED] had indicated that although the company claimed to have no late tickets, there were in fact, late tickets, and they needed to be exposed so that resources could be properly allocated.”²⁷
- “...on October 5, 2012, [REDACTED] wrote to [REDACTED], stating: ‘I’m worried about the safety goals for 2013 as it relates to Damage Prevention. There is a current metric that indicates an ‘on time’ ticket completion percentage of 99.2%. The supervisors tell me it’s more like 60%.’ In the fall of 2012, [REDACTED] continued to receive distress signals regarding staffing problems and its relation to on-time ticket performance. On October 11, 2012, he was copied on a series of emails between PG&E and the International Brotherhood of Electrical Workers (“IBEW”) regarding the proposed use of contract workers. [REDACTED] of PG&E cited the ‘tremendous amount of turnover’ in L&M as a reason for the staffing shortages. On October 15, 2012, [REDACTED] wrote to [REDACTED] that the staffing issues were ‘affecting [sic] performance metrics for the on-time locates and if it continues without assistance, we will not meet our target goal.’”²⁸
- “On November 1, 2012, [REDACTED], at that time [REDACTED], wrote to [REDACTED] to discuss a ‘mark and locate QC scoring system’ whereby a late ticket caused a 25 point deduction. She told [REDACTED] that locators were apparently checking the box indicating positive contact, when in fact, they had not been able to reach the excavator, so that it was ‘not a truly renegotiated [ticket] anyway it like [sic] we are just stamping the box’. [REDACTED] explicitly linked these issues to staffing challenges.”²⁹
- “On April 11, 2013, [REDACTED], a supervisor [REDACTED], wrote in an email (which was then forwarded to [REDACTED]) about late tickets in his group by citing the staffing issues, and by explaining ‘I have not been faking late tickets...’”¹⁰⁰ Guidepost added a footnote to this sentence that stated, “In our interview of [REDACTED], he acknowledged that this was an indication that other employees were faking late tickets. Additionally, one supervisor told us that he had

²⁶ See Attachment 3 - Guidepost Report, p. 18.

²⁷ See Attachment 3 - Guidepost Report, p. 20.

²⁸ See Attachment 3 - Guidepost Report, p. 20.

²⁹ See Attachment 3 - Guidepost Report, p. 21.

¹⁰⁰ See Attachment 3 - Guidepost Report, p. 32.

told [REDACTED] of such practices, although he was not sure when that occurred.”¹⁰¹

- “In response to a report from [REDACTED] on July 30, 2015 that there had been no late tickets that day, [REDACTED] wrote to [REDACTED] on July 31, 2015: ‘This continues to sound like good news, but when I speak to people in yards, it sounds like we’re still behind, strapped for help and carrying a backlog for which we’re making phone calls. Is there a better way to help all of us understand our current status? Should we begin holding over any employee that elects to bid out?’”¹⁰² Guidepost added a footnote to this sentence that stated, ‘[REDACTED], in response to our questions about this email, told us that there could be a backlog that did not give rise to late tickets. However, it seems to us there was reason to question PG&E’s ability to reduce late tickets so dramatically.’”¹⁰³

- “[REDACTED] then asked [REDACTED] to meet with [REDACTED]. Although [REDACTED] did not recall such a meeting when we asked him about it, one of [REDACTED] colleagues, [REDACTED], does recall the meeting, during which [REDACTED] told [REDACTED] about the false data.”¹⁰⁴

B. PG&E’s [REDACTED] and Superintendent Knew the Practices of Falsifying Locate and Mark Records

Based on SED’s review of the report, both [REDACTED] and [REDACTED] were the other leaders who knew about these practices of falsifying the Locate and Mark records.

[REDACTED] was the [REDACTED].¹⁰⁵ [REDACTED]

[REDACTED] was the [REDACTED] superintendent who reported to [REDACTED].¹⁰⁶ The Guidepost Report directly and indirectly shows their knowledge of PG&E’s practice of falsifying records multiple times, as shown in this list of points made in the Guidepost Report.

- “[REDACTED], of QM, told us that he had conducted an assessment of a sample of supposedly timely tickets every year since 2011, and had found that his samples contained numerous instances of tickets which had not been renegotiated properly because there had not been ‘positive contact’ with the excavator, or because the job had been

¹⁰¹ See Attachment 3 - Guidepost Report, p. 32.

¹⁰² See Attachment 3 - Guidepost Report, p. 32-33.

¹⁰³ See Attachment 3 - Guidepost Report, p. 33.

¹⁰⁴ See Attachment 3 - Guidepost Report, p. 34.

¹⁰⁵ See Attachment 3 - Guidepost Report, p. 23.

¹⁰⁶ See Attachment 3 - Guidepost Report, p. 23.

phased inappropriately. [REDACTED] reported these findings to supervisors and locators in 2011 and 2012, and after L&M became a separate function, to [REDACTED] in 2013, 2014 and 2015. [REDACTED] was [REDACTED].”¹⁰⁷

- “[REDACTED] told us that when he learned that [REDACTED] was closing tickets without contacting the excavator himself, he told [REDACTED] to stop closing tickets from the ‘war room’.”¹⁰⁸
- “On June 30, 2016, there was a Locate and Mark and Standby offsite meeting, which apparently took place at Pismo Beach. One supervisor, [REDACTED], recognized a presentation found in [REDACTED] files and linked it with the June meeting. The presentation listed four different inappropriate ways that the locators avoided late tickets, including renegotiation of the due date without customer contact and phasing tickets without customer contact. The presentation also stated that this practice had been noted in the ‘end-of-day reports, QC reports, Schedule [sic] D Risk Assessment, and PUC customer complaints’.”¹⁰⁹
- “[REDACTED] sent an email to supervisors asking for their observations regarding the kinds of ‘mistakes’ they had seen locators making. Supervisor [REDACTED], responded on July 20, 2016: ‘I am trying to get my locators out of bad habits and change the bad ticket info and late ticket culture...I observed locators putting improper notes on tickets...’. Another supervisor, [REDACTED], observed the next day that ‘[o]ne of the main reasons for locating issues is time. Locators think they have to rush through each and every job to get the numbers down...’. A third supervisor, [REDACTED], responded also on July 21, that locators were entering inappropriate and incomplete notes in support of the renegotiation of start times and of phasing. He explained that some locators claimed that they did not understand the requirements in relation to extending tickets.”¹¹⁰ Guidepost added a footnote to this sentence that stated, “[REDACTED] response when we asked him about this email was that [REDACTED] was a ‘poor supervisor’. Additionally, [REDACTED] said that [REDACTED] must have been referring to past practices at PG&E and that he should not have spoken about things which took place before his time. Given that this explanation is an implicit admission that locators were falsifying notes before [REDACTED] joined PG&E and that he joined PG&E in January of

¹⁰⁷ See Attachment 3 - Guidepost Report, p. 32.

¹⁰⁸ See Attachment 3 - Guidepost Report, p. 29.

¹⁰⁹ See Attachment 3 - Guidepost Report, p. 35.

¹¹⁰ See Attachment 3 - Guidepost Report, p. 36.

2016, it only serves to re-affirm that such practices had indeed occurred and that [REDACTED] was aware of it.”¹¹¹

- “[REDACTED] told us, and she explained to him, that QM had provided the data to [REDACTED] on a monthly basis. She recalled a meeting with [REDACTED] in May 2016 in which he claimed that the problem of ‘inappropriate’ notes was ‘due to a few new supervisors – problem solved.’ [REDACTED] told us that she and her colleagues had instead found the problem to be widespread.”¹¹²
- “Supervisor [REDACTED] wrote on December 12, 2014 to [REDACTED] and [REDACTED] that the ‘locators were under the impression that by adding a note to the excavator before the due time that would stop it from going late.’ Additionally, [REDACTED] of QM continued to report to both [REDACTED] and [REDACTED] that locators were entering improper notes and that therefore late ticket statistics were inaccurate. Meanwhile, in 2015 and 2016, [REDACTED] reported precipitously declining late ticket numbers.”¹¹³ SED notes that the Locate and Mark Late Tickets Metric in January 2017 Keys Report shows 3,385 late tickets in 2015 and 44 late tickets in 2016.¹¹⁴
- “On July 28, 2016, [REDACTED] wrote a strongly-worded email to the L&M supervisors following a dig-in for which L&M had, on a daily operations call, been ‘called out’. Among the things [REDACTED] demanded from his supervisors was ‘no more gaming the late ticket metric...’.”¹¹⁵ However, [REDACTED] denied his knowledge of the meaning of “late ticket workarounds” or “gaming the late ticket metric” in his interview with Guidepost as stated in the report, “When we asked [REDACTED] about the ways locators ‘stopped the clock’ and his knowledge of their falsifications, he said ‘I trust you unless you give me a reason not to. I was not aware of purposeful falsification. I was never told. Was there innuendo? Allegations? QC reports by [REDACTED]? Yes. But I was not personally aware of L&M falsifying a ticket’. He also said that he did not know what ‘late ticket workarounds’ or ‘gaming the late ticket metric’ meant.”¹¹⁶ On the other hand, [REDACTED] “understood ‘gaming the late ticket metric’ to mean inappropriate notes entered by locators but said that

¹¹¹ See Attachment 3 - Guidepost Report, p. 36.

¹¹² See Attachment 3 - Guidepost Report, p. 34.

¹¹³ See Attachment 3 - Guidepost Report, p. 32.

¹¹⁴ See Figure 9.

¹¹⁵ See Attachment 3 - Guidepost Report, p. 37.

¹¹⁶ See Attachment 3 - Guidepost Report, p. 37.

██████████ gave him the impression that the instances of such practices ‘were in the teens’.”¹¹⁷

- “In August [of 2016], apparently nothing had changed. ██████████, by then ██████████, approached ██████████ that month with a random audit she had done, which revealed that data manipulation was continuing. ██████████ said, ‘What do you expect me to do with this?’.”¹¹⁸
- “On October 27, 2016, ██████████, a senior locator, sent ██████████ and some other supervisors an example of ‘locators inappropriately responding to a ticket. By doing [this] the ticket will not show up initially as a late ticket, but in the eyes of QM, audit, and the CPUC [t]here will be late tickets. No attempt to contact the excavator was made, no attempt to locate was made.’.”¹¹⁹
- “On December 20, 2016, ██████████ texted ██████████, and said ‘I’m with ██████████ and he’s sharing in rcc we have 36 late tix QA found that we aren’t tracking...’ When we asked ██████████ about this report, he claimed that it was not necessarily factual, stating, ‘just because they report it doesn’t mean it is accurate’.”¹²⁰
- “The next day, ██████████ forwarded a chart to ██████████ and several supervisors which set forth late ticket data through November 2016, and which set forth the status in IRTHnet, and the reason the ticket was actually late. ██████████ told us in response to our question about this document that ‘you cannot look at the IRTHnet data and entries and not speak with the locator and ascertain why the specific entries were made—were the entries made in error or were they purposefully made to circumvent the polices and the system?’ At the end of 2016, ██████████ reported 44 late tickets for all of 2016, attributing this result, during our interview, to ‘meetings, tools and training’”¹²¹
- “In fact, as many we interviewed acknowledged, it was common knowledge among supervisors that locators entered false notes in the IRTHnet database to avoid ‘going late’. Indeed, ██████████, told us that she had attended meetings in 2015 and 2016 during which supervisors repeatedly addressed the issue of locators who were ‘gaming the system’. Other supervisors, such as ██████████, indicated that when they saw evidence of such

¹¹⁷ See Attachment 3 - Guidepost Report, p. 37.

¹¹⁸ See Attachment 3 - Guidepost Report, p. 37.

¹¹⁹ See Attachment 3 - Guidepost Report, p. 37.

¹²⁰ See Attachment 3 - Guidepost Report, p. 38.

¹²¹ See Attachment 3 - Guidepost Report, p. 38.

practices, they would counsel the locator to make clear the practices were unacceptable. When we asked the [REDACTED], whether [REDACTED] (and a particular supervisor) knew about such data manipulation he said, 'yes, I hate to say it.'"¹²² In his Examination Under Oath, Mr. [REDACTED] indicated that he was aware of an instance or two of people moving late tickets into different statuses in order to stop them from becoming late.¹²³ He claimed that one instance was related to a contractor, and another was related to a newer employee who did not have a good understanding of the protocol.¹²⁴

C. PG&E's Quality Assurance Group Found Falsification of Locate and Mark Records Since 2009

Based on SED's review of the Guidepost Report, there were internal PG&E reports related to falsification of Locate and Mark Records. The earliest, as noted by Guidepost, was a Nonconformance Report ("NCR") done by PG&E's Quality Assurance group ("QA") for its 2009 audit of PG&E's Damage Prevention department.¹²⁵ In the words of the Guidepost Report,

In 2009, The Gas Operations Quality Assurance group ("QA") conducted an audit of the Damage Prevention department (Audit Number 2009-0115) and reported on its findings on March 10, 2010. QA reported in its Nonconformance Report ("NCR") that "3.8% of all September 2009 tickets indicated that a new start date/time was negotiated. The majority of these tickets were entered into IRTNet as "negotiated" primarily as a means to keep the ticket from going overdue. As a result, incorrect data is being used to report on-time results." The NCR further explained that "employees are indicating that a new start date/time was negotiated, when, in fact, no mutual agreement was reached. Furthermore, when the negotiation occurred after the date/time the ticket originally came due, the ticket is not included in the reporting of late tickets." Finally, QA was told during the audit that some Mark & Locate employees entered comments into IRTNet stating that a new start date/time had been negotiated specifically as a "work around" to keep from going late. The NCR analyzed the impact of such practices as follows: "Incorrect data is being used to report on-time results. This data, in turn makes the M&L on-time performance appear better than it is. This

¹²² See Attachment 3 - Guidepost Report, p. 33.

¹²³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 76, lines 26-28, and p. 77, lines 1-3.

¹²⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 77, lines 3-10.

¹²⁵ See Attachment 3 - Guidepost Report, p. 14.

may result in too few resources being provided to Mark & Locate personnel to timely respond to tickets”.¹²⁶

Then Guidepost discussed another PG&E report for its Internal Audit Group’s (“IA”) assessment of PG&E’s Damage Prevention program in 2011. In the words of the Guidepost Report,

By 2011, there had been little change. In 2011, PG&E’s Internal Audit Group (“IA”) conducted an assessment of the damage prevention program, upon which it reported on February 10, 2012. The report noted that the earlier assessments by IA and QA regarding “recordkeeping processes used to establish the on-time performance of [PG&E’s] mark and locate program had a system glitch, in that the time-clock feature of the software would be halted just by opening the record without performing the work or documenting an agreement with the excavator to perform the work. As a result, the report for on-time performance using this software showed a 99% on-time response for 2010 that cannot be relied upon.” As of the date of the report, that deficiency had not been corrected. We note that the 2009/10 materials produced to us contained no discussion of such a “system glitch”, and instead, as described above, discussed deliberate “work arounds” by employees, with the intent to avoid tickets from “going late”.¹²⁷

Guidepost added a footnote to this sentence that stated,

As such, the January 2012 IA report appears to have missed the mark, at least in part, but nevertheless, to have raised questions about the accuracy of on-time data for locate and mark. Moreover, there was apparently some confusion about whether the “glitch” had been addressed and/or when. A 2012 document entitled “Damage Prevention 1. Mark & Locate Timeliness – Action Plan – 2012” claimed that the “glitch” had been corrected as of November 2011, while the audit report of February 10 claimed that it would be corrected by April 20, 2012. In any event, we believe the “glitch” has in fact been addressed, and that as stated, the real issue is not the glitch, but the “workarounds” by locators.¹²⁸

D. PG&E Added the Goal of Having “Zero Late Tickets” to their Ongoing Practice of Falsifying Many of Their Locate and Mark Records

As discussed in the sections above, PG&E’s practice of falsifying its Locate and Mark records to avoid USA tickets showing as late was evident as early as 2009.¹²⁹ Then, once [REDACTED] became the [REDACTED], his focus of “zero late

¹²⁶ See Attachment 3 - Guidepost Report, p. 14.

¹²⁷ See Attachment 3 - Guidepost Report, p. 15.

¹²⁸ See Attachment 3 - Guidepost Report, p. 14.

¹²⁹ See Attachment 3 - Guidepost Report, p. 14.

tickets”¹³⁰ added pressure to the locators as stated in the Guidepost Report, “[Locators] felt great pressure to meet the 48-hour requirement, particularly from 2013 to 2016, when the [REDACTED] made it clear that he would not tolerate any violation of the 48 hour requirement.”¹³¹ On this point, the Guidepost Report makes clear, “[As] the number of tickets grew to unmanageable amounts, PG&E struggled to keep up with the demand, while at the same time increasing the pressure on locators to meet a goal of ‘zero late tickets’. Locators responded by cutting corners.”¹³² In multiple instances listed below, the Guidepost Report shows that [REDACTED] and [REDACTED] put pressure on [REDACTED] Locate and Mark supervisors and locators. In the words of the Guidepost Report,

- “For example, one supervisor’s performance goals dated August 5, 2015 include the following goal: ‘Reduce late tickets to ZERO’. Supervisor [REDACTED] explained that supervisors felt pressure from above and that it ‘trickled down’ to locators, a view that was confirmed by [REDACTED], who served as a backup to [REDACTED]”¹³³
- “We learned that this message from [REDACTED] and [REDACTED] was delivered in a heavy-handed way, evincing a rather confrontational management style. Indeed, several supervisors used strong words in this regard. [REDACTED] called L&M ‘dysfunctional’ under [REDACTED]. [REDACTED] told us that [REDACTED] led with a ‘heavy hand’ and that the period when [REDACTED] led the L&M function was the ‘dark time’. [REDACTED] said that [REDACTED] had ‘unrealistic goals’”¹³⁴ Guidepost added a footnote to this sentence that stated, “[REDACTED] seems to have understood on some level that his demands were unrealistic. He told us that ‘[a]s a competitor by nature, I relished mission impossible tasks’. [REDACTED], in [REDACTED] 2015 performance review, said that [REDACTED] had to ‘[REDACTED]’.”¹³⁵
- “Indeed, one supervisor, [REDACTED], characterized [REDACTED] approach, saying that he led by intimidation and the zero late ticket policy was delivered by pounding his fist on a table and saying in effect, ‘if there is a single late ticket on a desk, you will answer to me.’”¹³⁶

¹³⁰ See Attachment 3 - Guidepost Report, p. 23.

¹³¹ See Attachment 3 - Guidepost Report, p. 7.

¹³² See Attachment 3 - Guidepost Report, p. 11.

¹³³ See Attachment 3 - Guidepost Report, p. 24.

¹³⁴ See Attachment 3 - Guidepost Report, p. 25.

¹³⁵ See Attachment 3 - Guidepost Report, p. 25.

¹³⁶ See Attachment 3 - Guidepost Report, p. 25.

- “We note that both [REDACTED] and [REDACTED] denied their management style was intimidating. However, the reports we received from others are supported by the extremely apologetic, - even fearful – responses that some locators and supervisors sent to [REDACTED] and [REDACTED]. On [REDACTED], one supervisor, [REDACTED], wrote: ‘I am very aware of the severity of this incident. And I apologize abundantly...I can assure you this is an isolated incident. With incredibly bad timing. I do take full responsibility for not Making [sic] sure I can be reached at every seacond [sic]...I hope this does not affect [sic] your assurance on my Ability [sic] to do this job...’.”¹³⁷
- “[REDACTED] told us that [REDACTED] had said that he entered notes in IRTHnet in order to avoid pressure from [REDACTED] and that, in her view at least, he ‘would add notes to artificially delay the clock’. [REDACTED] said that [REDACTED] had informed her that his goal was ‘no late tickets on his watch’ and had apparently implied that she should proceed accordingly. When she discussed this with [REDACTED], [REDACTED], [REDACTED], [REDACTED] said, ‘Don’t falsify those records’. [REDACTED] explained that [REDACTED] ‘was getting pressure. Zero was the pressure’. An [REDACTED], told us that ‘it would have been impossible for [REDACTED] to make all the calls’ necessary to close tickets legitimately.”¹³⁸

E. PG&E Under-Reported its Actual Late Ticket Number Because the Locate and Mark Records Were Falsified

According to the Guidepost Report, the practices of falsifying Locate and Mark records were common knowledge among Locate and Mark supervisors and certain leaders.¹³⁹ PG&E’s QA also reported that “incorrect data is being used to report on-time results”¹⁴⁰ as early as 2010 in its Nonconformance Report, and PG&E was not able to track timeliness of the locators’ completion of USA tickets until IrthNet became its ticket management tool in 2008. Subsequently, PG&E’s IA Group found that, based on its 2012 IA report, “the report for on-time performance using this software showed a 99% on-time response for 2010 that cannot be relied upon.”¹⁴¹

The practices of falsifying Locate and Mark records to avoid USA tickets showing as late continued after 2012, as evident in the Guidepost Report, and PG&E’s Quality Management

¹³⁷ See Attachment 3 - Guidepost Report, p. 26.

¹³⁸ See Attachment 3 - Guidepost Report, p. 29.

¹³⁹ See Attachment 3 - Guidepost Report, p. 7 and p. 33.

¹⁴⁰ See Attachment 3 - Guidepost Report, p. 14.

¹⁴¹ See Attachment 3 - Guidepost Report, p. 15.

organization (“QM”) “reported these findings [of tickets not renegotiated properly] to supervisors and locators in 2011 and 2012, and after [Locate and Mark] became a separate function, to ██████████ in 2013, 2014 and 2015.”¹⁴² PG&E had reasons to question the accuracy of its on-time results or on-time performance on an ongoing basis, beginning as early as 2010.

As noted in the list below, the Guidepost Report showed that these inaccurate on-time results continued to be internally reported multiple times, and many of those communications included PG&E leadership.

- “For instance, on October 5, 2012, ██████████ wrote to ██████████, stating: ‘I’m worried about the safety goals for 2013 as it relates to Damage Prevention. There is a current metric that indicates an ‘on time’ ticket completion percentage of 99.2%. The supervisors tell me it’s more like 60%.’”¹⁴³
- “██████████, in an effort to address staffing and other issues in Damage Prevention, convened a Special Attention Review (‘SAR’) on November 19, 2012. The SAR document noted that both dig-in rates and at fault dig-in rates had improved over a 12-month rolling period. The document cited an on-time ticket completion rate of 98.7% for the year 2012. Curiously, several pages later, the document stated ‘we respond to approximately 60% of tickets on time’. It alluded to poor tools and a high ‘rate of churn role (estimated 80% turnover in last two years).’”¹⁴⁴
- “Additionally, ██████████ of QM continued to report to both ██████████ and ██████████ that locators were entering improper notes and that therefore late ticket statistics were inaccurate. Meanwhile, in 2015 and 2016, ██████████ reported precipitously declining late ticket numbers. See chart at page 13. In response to a report from ██████████ on July 30, 2015 that there had been no late tickets that day, ██████████ wrote to ██████████ on July 31, 2015: ‘This continues to sound like good news, but when I speak to people in yards, it sounds like we’re still behind, strapped for help and carrying a backlog for which we’re making phone calls.’”¹⁴⁵
- “At the end of 2016, ██████████ reported 44 late tickets for all of 2016, attributing this result, during our interview, to ‘meetings, tools and training’.”¹⁴⁶ SED notes that there was an email from PG&E’s data request response (PG&E Index 11718) stating 36 late tickets QA found was shared

¹⁴² See Attachment 3 - Guidepost Report, p. 32.

¹⁴³ See Attachment 3 - Guidepost Report, p. 20.

¹⁴⁴ See Attachment 3 - Guidepost Report, p. 21.

¹⁴⁵ See Attachment 3 - Guidepost Report, p. 32-33.

¹⁴⁶ See Attachment 3 - Guidepost Report p. 38.

with [REDACTED]. This email was sent from [REDACTED] to [REDACTED] on December 20, 2016. In the email, [REDACTED] referenced a text from [REDACTED] and he wrote to [REDACTED]:

Just got this text from [REDACTED]
I'm w [REDACTED] and he's sharing in rcc we have 36 late tix QA found that we aren't tracking? Please contact [REDACTED] and figure out what happened. If the moss is our data collection or we simply missed reporting these tix. I don't have to tell u 2 this is a high priority item in rcc¹⁴⁷

According to the quoted message above, [REDACTED] was told that 36 late tickets were not tracked by his team. However, he still reported 44 late tickets for all of 2016.

- “In the face of indications that these practices continued and that late ticket data was suspect, [REDACTED] reported dramatically falling late ticket numbers, and reported 44 late tickets for all of 2016. The QM study demonstrated that the late ticket data reported by [REDACTED] were seriously inaccurate.”¹⁴⁸

F. PG&E Locate and Mark Supervisors’ “Short Term Incentive Plan” Was Related To Late Tickets

Both [REDACTED] and [REDACTED], stated under oath that dig-in rate, or number of times there was damage to PG&E’s system for every thousand tickets, was the metric related to employees’ incentives.¹⁴⁹ [REDACTED] also said under oath that dig-in rate, in the context of locating and marking, is the only metric linked to PG&E’s “Short Term Incentive Plan” (STIP) or its “Long Term Incentive Plan” (LTIP).¹⁵⁰ [REDACTED] said under oath that PG&E do not use late tickets as a metric within which they pay their incentive compensation.¹⁵¹ However, the Guidepost Report indicates that the late ticket count was a metric for STIP until December of 2012.

Finally, on December 14, 2012, [REDACTED] wrote to L&M supervisors, copying [REDACTED], that “[l]ate tickets are no longer a success metric. We will still report on it, but it will no longer be related to your

¹⁴⁷ See Attachment 34 - [REDACTED] Email on December 20, 2016.

¹⁴⁸ See Attachment 3 - Guidepost Report, p. 40.

¹⁴⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 33, lines 6-28, and Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 124, lines 2-12.

¹⁵⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 33, lines 6-28.

¹⁵¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 124, lines 2-12.

STIP metrics. We want to see real late tickets from now on to better help us staff appropriately and someday get to a place where we can respond to tickets within the two-working day time frame. Late tickets are no longer looked at as a bad thing, but more as a sign that your area might need help". Thus, it was obviously clear that timeliness statistics were not "real". Despite this attempt to address this problem by decreasing the pressure on L&M employees, [REDACTED] was soon to increase the pressure.¹⁵²

For reasons not known to SED, PG&E decided to remove late ticket counts as a "success metric" related to STIP on December 14, 2012. In other words, by the end 2012, the Locate and Mark supervisors' compensations from PG&E's STIP were no longer related to the on-time performance and number of late tickets.

PG&E gained the ability to track the timeliness of locator's completion of USA tickets in 2008 when IrthNet became the ticket management tool. SED infers that for some time between 2008 and 2012, the late ticket metric was related to PG&E's Locate and Mark supervisors' STIP. During this period, supervisors would have had perverse incentives as part of their compensation to allow their locators put false notes on tickets if the tickets could not be responded to on time.

G. PG&E Employees Received Performance Goal and Evaluation Related to Locate and Mark Timeliness

Based on SED's review of the Guidepost Report, there were PG&E employees' performance goal and evaluation related to locate and mark timeliness. As stated by Guidepost in a footnote, "[REDACTED], in [REDACTED] 2015 performance review, said that [REDACTED] had to [REDACTED]"¹⁵³ SED reviewed [REDACTED] 2015 Performance Appraisal and found a [REDACTED] comment made by [REDACTED] regarding [REDACTED] midyear rating, and it stated, [REDACTED]"¹⁵⁴

The Guidepost Report indicates that the Locate and Mark supervisors' 2015 performance goals had an item relating to reduction in late tickets. In the words of the

¹⁵² See Attachment 3 - Guidepost Report, p. 22-23.

¹⁵³ See Attachment 3 - Guidepost Report, p. 25.

¹⁵⁴ See Attachment 36 - [REDACTED] 2015 Performance Appraisal, p. 1. This file is encrypted and marked confidential.

Guidepost Report, “supervisors’ performance objectives—as well as [REDACTED]—included an item relating to reduction in late tickets. For example, one supervisor’s performance goals dated August 5, 2015 include the following goal: ‘Reduce late tickets to ZERO’.”¹⁵⁵

[REDACTED] made a remark related to reduction of late tickets in [REDACTED] 2015 performance review as stated in a footnote in the Guidepost Report:

In [REDACTED]’ 2015 performance review, [REDACTED] credited [REDACTED] as follows: “Expanded size of locating workforce that ultimately drove a 75% reduction in late tickets for the full year, and a 99% reduction in late tickets for the second half of the year, effectively eliminating this issue.”¹⁵⁶

VII. SED CONDUCTS ITS PRELIMINARY INVESTIGATION

SED has completed its preliminary investigation into PG&E’s operations, practices, and conduct with respect to damage prevention compliance as well as a detailed review and analysis of a sampling of USA tickets. SED’s preliminary investigation consisted of the following:

- Review of PG&E’s May 2, 2018 Letter to SED with Attachments: “Investigative Report: Locate and Mark” by Guidepost Solutions LLC and “Late Ticket Logic and Count” by Bates White LLC
- Review of Federal and State pipeline regulations
- Review and Analysis of PG&E’s internal standards
- Submittal of Data Requests
- Review of PG&E’s Records
- Examinations Under Oath of certain PG&E current and former employees.

Because excavation damage is the leading cause of gas pipeline incidents in California,¹⁵⁷ and because of the effect that proper locate and mark practices have on public health and safety, SED has carefully investigated and reviewed PG&E’s compliance with damage prevention regulations and California excavation requirements. This investigation was not merely focused on the number of locate and mark violations. SED devoted significant investigative resources to uncover probable contributing root causes for PG&E’s failures to

¹⁵⁵ See Attachment 3 - Guidepost Report, p. 24.

¹⁵⁶ See Attachment 3 - Guidepost Report, p. 34.

¹⁵⁷ See Attachment 37 - California Gas Incidents data. Third party excavation damage and operator excavation damage account for 95.28% and 1.72%, respectively, of all reported gas leak related incidents for the period of 2008 to 2017 based on data submitted by California utilities following the requirement of section 122.2(d) in CPUC’s General Order 112.

ensure that past mistakes are not repeated. SED also focused upon the safety concerns related to PG&E's past locate and mark deficiencies.

A. PG&E Did Not Mark a Site on Time, Did Not Correctly Record the Marking as Late, and the Excavator Hit PG&E's Line, Creating a Gas Incident on that Site in San Jose, CA

On November 7, 2014, PG&E reported a gas incident in compliance with CPUC's General Order (GO) 112, Section 122.2(a)¹⁵⁸ because it had received significant news media coverage and its property damage and repair costs had exceeded \$50,000. A third party excavator, GM Engineering (GM), hit and damaged a PG&E 2-inch plastic gas distribution main with a backhoe near the corner of Market and Santa Clara Street in San Jose, CA. According to SED's Incident Investigation Report, on December 9, 2014, an SED investigator interviewed [REDACTED], who was also the backhoe operator when the incident occurred. He said that he had been at the site on November 3, 2014 when he delineated the excavation site and called in the request for locate and mark to USA North, two working days before the planned date to start the work. The USA ticket number was 0459722¹⁵⁹ and had a "Work Begins" date of November 5, 2014 at 11:30 am. He said he got a message on his phone from PG&E at 10:30 am on November 5, 2014 and recalled the voice message as saying, "this is [REDACTED] from PG&E, give me a call."¹⁶⁰

¹⁵⁸ General Order 112-E section 122.2(a) states that: "Each operator shall report incidents to the CPUC that meet the following criteria:

1. Incidents which require DOT notification.
 - i. An event that involves a release of gas from a pipeline or of liquefied natural gas (LNG) or gas from an LNG facility and
 - A death, or personal injury necessitating in patient hospitalization; or
 - Estimated property damage, including cost of gas lost, of the operator or others, or both, of \$50,000 or more.
 - ii. An event that results in an emergency shutdown of an LNG facility.
2. Incidents which have either attracted public attention or have been given significant news media coverage, that are suspected to involve natural gas, which occur in the vicinity of the operator's facilities; regardless of whether or not the operator's facilities are involved."

¹⁵⁹ See Figure 1.

¹⁶⁰ See Attachment 12 - SED Incident Investigation Report (San Jose, CA - Nov 2014), p. 4.

The GM backhoe operator did not return the call, but assumed that he was cleared to start work because he had waited 48 hours from the time of the USA request and noticed yellow pipeline markings on the pavement inside the excavation area he had identified.¹⁶¹ The yellow markings were possibly from previous USA requests.¹⁶² GM hand dug and exposed a 2-inch steel pipe at a depth of about 36 inches. Although the yellow markings (possibly from previous USA requests) indicated plastic pipe, the GM backhoe operator assumed that the 2-inch steel pipe was marked by PG&E in response to his November 3, 2014 ticket request, but incorrectly identified as plastic. Thinking he had found the marked pipe, the backhoe operator stopped hand-digging, and proceeded to excavate using a backhoe. The backhoe then hit and damaged the 2-inch plastic gas pipe that the surface marking represented, at a depth of about five feet. It was later discovered that the 2-inch steel pipe that the excavator thought had been marked as a gas pipeline, was in fact an electrical conduit.

The USA ticket #0459722 and its ticket management history were requested and shown in Figure 1. The ticket was created when GM notified USA North 811 on November 3, 2014 about its work, "TR TO INST SWR PIPE", which would begin at 11:30 am on November 5, 2014. PG&E received the notification about this excavation at 11:25:55 am on November 3, 2014. Pursuant to California Government Code § 4216.3(a)(1), PG&E was required to perform the duties by 11:30 am on November 5, 2014 or renegotiate with the excavator for a new due date and time.

PG&E's personnel, [REDACTED], entered a "No Response from Excavator"¹⁶³ response at 10:21:05 am on November 5, 2014 (approximately one hour before the due date and time) and noted: "Message left with excavator". There were no other responses entered after the

¹⁶¹ SED investigator looked at satellite pictures of the incident site from September 2014 and found yellow markings for the 2-inch gas line in the same location that was hit. Since the GM Engineering backhoe operator indicated having observed gas markings for a plastic pipeline, it is possible that those markings may have been marks from previous USA requests. However, the source and date of those markings is unknown and unaccounted for in PG&E's records.

¹⁶² See Attachment 12 - SED Incident Investigation Report (San Jose, CA - Nov 2014), p. 5.

¹⁶³ "No Response from Excavator" is one of the response selections available in a drop-down menu that are designed to correspond to certain actions in IrthNet. This response is used when excavator has not responded to three requests, such as leaving a message, for help or information needed to complete ticket. PG&E locators should not use this response when they did not get a response from excavator from renegotiation of new start date and time.

November 5, 2014 response. According to PG&E's narrative of the incident, [REDACTED] attempted to contact the excavator because he wanted to communicate with the excavators that PG&E would phase¹⁶⁴ the marking to ensure markings remain visible in the excavation area. However, he left a message for the excavator on November 5, 2014 but did not receive a response from the excavator to coordinate the locate and mark prior to the excavation.¹⁶⁵

The SED investigator concluded that PG&E violated the procedures in its Damage Prevention Handbook, TD-5811M, which require the personnel to notify their supervisor and document details in USA ticket when excavator is unavailable or cannot renegotiate. In his conclusion, he stated that: "PG&E's USA ticket record does not document that a supervisor was notified in this case. Additionally, while PG&E attempted to coordinate the field marking with the excavator, there was no mutual agreement reached as required by code. It is also disconcerting that the attempts were made an hour before the work was scheduled to begin."¹⁶⁶

Because there was no renegotiation for a new due date and time and PG&E did not perform a field mark in response to this specific ticket, USA ticket # 0459722¹⁶⁷ was late. However, PG&E falsely entered the "No Response from Excavator" response at 10:21:05 am on November 5, 2014, and, as a result, USA Ticket #0459722¹⁶⁸ was incorrectly counted as on-time based on PG&E's IrthNet search functionality at the time and that was confirmed in a response (PG&E Index 10895.02) to SED's data request dated May 23, 2017.¹⁶⁹ This ticket was falsely recorded as resolved timely.

¹⁶⁴ PG&E locator phases a USA ticket for large excavations that cannot be completed within two working day time limit.

¹⁶⁵ See Attachment 38 - Incident Report PHMSA F7100.1 (San Jose, CA - Nov 2014), p. 10.

¹⁶⁶ See Attachment 12 - SED Incident Investigation Report (San Jose, CA - Nov 2014), p. 7.

¹⁶⁷ See Figure 1.

¹⁶⁸ See Figure 1.

¹⁶⁹ See Attachment 39 - PG&E's response (Index 10895), p. 1.

Figure 1 – USA Ticket #0459722 and the Ticket Management History

Print Tickets <https://www.irth.com/IRTHNet/TicketManager/Print/Ticket.aspx>
CONFIDENTIAL – Provided Pursuant to P.U. Code §553

Facility: Distribution; Folder: Cinnabar 6; Assigned To: CIN6 -
PGESJO 00149 USAN 11/03/14 11:25:55 0459722 NORMAL NOTICE

Message Number: 0459722 Received by USAN at 11:17 on 11/03/14 by VAL

Work Begins: 11/05/14 at 11:30 Notice: 020 hrs Priority: 2
Night Work: Y Weekend Work: N

Expires: 12/01/14 at 23:59 Update By: 11/25/14 at 16:59

[REDACTED]

Nature of Work: TR TO INST SWR PIPE
Done for: [REDACTED] Explosives: N
Foreman: CALLER
Field Tel: [REDACTED] Cell Tel: [REDACTED]
Area Premarked: Y Premark Method: WHITE PAINT
Permit Type: SEWER Number: UNK
Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: N
Excavation Enters Into Street Or Sidewalk Area: Y

Location:
SE Corner of: W SANTA CLARA ST
And: S MARKET ST
ON E/SI/O S MARKET ST

GO 225' S TURN GO 60' W TURN GO 225' N TO SW/COR/O W SANTA CLARA ST
& S MARKET ST TURN GO GO 65' W ON S/SI/O W SANTA CLARA ST- INFO PER
CALLER

Place: SAN JOSE County: SANTA CLARA State: CA
Long/Lat Long: -121.893434 Lat: 37.333962 Long: -121.890578 Lat: 37.336197

Sent to:
NET360 = 360 NETWORKS ATTICAL = AT&T TRANSMISSION CAL
CTYSJO = CITY SAN JOSE COMSJO = COMCAST-SAN JOSE
CRSITE = CORESITE REALTY CORP LEVCAL = LEVEL 3 COMM - CALIF
MCIWSA = MCI WORLDCOM MPOWER = MPOWER COMMUNICATIONS
PACBEL = PACIFIC BELL PGESJO = PGE DISTR SAN JOSE
PGEFIB = PGE-FIBER SPTTEL = QWEST COMM (CA)
SJOWT2 = SAN JOSE WATER CO. 2 SCLVLY = SANTA CLARA VALLEY WTR
TCOSPO = TELEPORT COMM SFO TWLNH = TW TELECOM - LONG HAUL
TWSANF = TW TELECOM - SAN FRANCIS VLYTRN = VALLEY TRANSPORTATION AU
XOCOMM = XO COMM SVCS DBA XO COMM ZAYOCA = ZAYO - CA

Gas Tiffs:
\\FFMETPRD01-NAS\MET-DATA\COMP PUB\SJE\TIF\GAS\ISTRIBUTION\3413-C3.tif
\\FFMETPRD01-NAS\MET-DATA\COMP PUB\SJE\TIF\GAS\ISTRIBUTION\3413-C4.tif
\\FFMETPRD01-NAS\MET-DATA\COMP PUB\SJE\TIF\GAS\ISTRIBUTION\3413-D3.tif
\\FFMETPRD01-NAS\MET-DATA\COMP PUB\SJE\TIF\GAS\ISTRIBUTION\3413-D4.tif

3 of 10 11/7/2014 3:04 PM

Figure 1 – USA Ticket #0459722 and the Ticket Management History (Continue)

Print Tickets
<https://www.irth.com/IRTHNet/TicketManager/Print/Ticket.aspx>

CONFIDENTIAL – Provided Pursuant to P.U. Code §563

Electric Tiffs:

\\FFMETPRD01-NAS\MET-DATA\COMP_PUB\SJE\TIF\ELEC\DISTIBUTION\G1712.tif

\\FFMETPRD01-NAS\MET-DATA\COMP_PUB\SJE\TIF\ELEC\DISTIBUTION\G1713.tif

\\FFMETPRD01-NAS\MET-DATA\COMP_PUB\SJE\TIF\ELEC\DISTIBUTION\G1717.tif

\\FFMETPRD01-NAS\MET-DATA\COMP_PUB\SJE\TIF\ELEC\DISTIBUTION\G1718.tif

\\FFMETPRD01-NAS\MET-DATA\COMP_PUB\SJE\TIF\ELEC\DISTIBUTION\G1713D.tif

Audit History:

11/3/2014 11:28:24 AM: Received
DETAILS: Ticket received for registration code PGESJO

11/5/2014 10:21:06 AM: Positive Response to Excavator Queued
DETAILS: Positive Response to Excavator queued for delivery

11/5/2014 10:23:11 AM: Attempt to Deliver Positive Response to Excavator Failed
DETAILS: Attempt to deliver Positive Response to Excavator to [REDACTED] failed
NOTE: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

11/5/2014 10:25:15 AM: Attempt to Deliver Positive Response to Excavator Failed
DETAILS: Attempt to deliver Positive Response to Excavator to [REDACTED] failed
NOTE: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

11/5/2014 10:27:23 AM: Attempt to Deliver Positive Response to Excavator Failed
DETAILS: Attempt to deliver Positive Response to Excavator to [REDACTED] failed
NOTE: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

11/5/2014 10:29:27 AM: Attempt to Deliver Positive Response to Excavator Failed
DETAILS: Attempt to deliver Positive Response to Excavator to [REDACTED] failed
NOTE: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

11/5/2014 10:31:35 AM: Positive Response to Excavator Requeued
DETAILS: Attempt to deliver Positive Response to Excavator to [REDACTED] failed. It is requeued to Voice: [REDACTED]

11/5/2014 11:33:26 AM: Positive Response to Excavator Delivered
DETAILS: Positive Response to Excavator successfully sent to a phone at [REDACTED]
NOTE: No user input was received so it was probably an answering machine. Spoke the response for this ticket and then hung up.

Audit History: Distribution

11/3/2014 11:28:24 AM: Put in Folder
DETAILS: Put in Cinnabar 6 by auto process
NOTE: Auto Processed per Responsibility Area

11/3/2014 11:28:24 AM: Assigned

4 of 10
11/7/2014 3:04 PM

Figure 1 – USA Ticket #0459722 and the Ticket Management History (Continue)

Print Tickets https://www.irth.com/IRTHNet/TicketManager/Print/Ticket.aspx

CONFIDENTIAL – Provided Pursuant to P.U. Code §563

DETAILS: Assigned to CIN6 - by auto process

NOTE: Assigned on folder placement

11/5/2014 10:21:05 AM: Responded

DETAILS: NO RESPONSE FROM EXCAVATOR (Ongoing): added by CIN6 -, located by [REDACTED]

[REDACTED] Locate Time: 11/5/2014 10:20:00 AM

Area Premarked? Yes

Un-Locatable? No

Heavy Equipment? No

Facility Types - GT: No

Facility Types - GD: No

Facility Types - ET: No

Facility Types - ED: No

Facility Types - FIBER: No

Time Arrived: 11/05/2014 10:11:00 AM

Time Departed: 11/05/2014 10:20:57 AM

Weather: dry; Surface: asphalt

Critical Facility? No

Conductive Type: Valve; Standby? No

Method Used: Conductive

Any Other Means? No

NOTE: Message left with excavator.

11/7/2014 1:21:48 PM: Ticket Queued

DETAILS: Ticket queued for delivery to [REDACTED] Reason: Ticket Email Requested.

11/7/2014 1:21:50 PM: Ticket Delivered

DETAILS: Ticket successfully sent to [REDACTED]

Ticket ID: 459722 **Registration:** USAN (PGESJO) **Facility:** Distribution

Response:

<input type="checkbox"/> NO REMARK REQUIRED	<input type="checkbox"/> NO DELINEATION
<input type="checkbox"/> .NO CONFLICT	<input type="checkbox"/> BAD TIX INFO - RESUBMIT
<input type="checkbox"/> SITE VISIT/FIELD MEET	<input type="checkbox"/> EXCAVATED BEFORE MARKED
<input type="checkbox"/> CANCELED TICKET	<input type="checkbox"/> zz Pole Test and Treat-autoclosed
<input type="checkbox"/> NO RESPONSE FROM EXCAVATOR	<input type="checkbox"/> DUPLICATE TICKET
<input type="checkbox"/> RE-ASSIGNED TICKET(Do not close!)	<input type="checkbox"/> .FACILITY MARKED
<input type="checkbox"/> PG&E RESPONSE NOT REQUIRED	<input type="checkbox"/> Expired Ticket
<input type="checkbox"/> RESPOND TO A PHASED TICKET	<input type="checkbox"/> RESPONDING TO COMPLETE A PHASED TICKET
<input type="checkbox"/> Notification of New Start Time	<input type="checkbox"/> LOCATED by PG&E CREW
<input type="checkbox"/> zz Gas Transmission Warning	<input type="checkbox"/> Field Meet Performed (Distribution)
<input type="checkbox"/> Field Meet Performed (Transmission)	

Comments: _____

5 of 10 11/7/2014 3:04 PM

B. PG&E Falsified USA Tickets to Conceal Multiple Times that It Violated California Government Code § 4216

SED sought information on the pre-excavation communication between PG&E and excavators. In a response (PG&E Index 10516.04) to SED's data request dated January 24, 2017, PG&E submitted a spreadsheet with a list of renegotiated USA tickets for the period between 2013 and 2016, and a list of 2016 late tickets. SED reviewed over twenty USA tickets from the "renegotiated tickets" spreadsheet with PG&E's IrthNet administrator¹⁷⁰ on February 17, 2017 and March 15, 2017. The review included checking the appropriateness, timeliness, accuracy, and completeness of locator's responses and notes.

According to PG&E's data request response (PG&E Index 10516.01) dated February 7, 2017, PG&E defines a "renegotiated ticket" as "a ticket where the locator and the excavator mutually agree on a new start date and time to complete a ticket because of relevant issues not related to the excavation size (as that would be included in the phased ticket process)."¹⁷¹ SED is unable to verify that the "renegotiated tickets" were not also reported as late tickets between 2013 and 2015 because PG&E did not generate reports with the associated USA ticket information.¹⁷² However, based on PG&E's definition of "renegotiated ticket" and "late USA ticket",¹⁷³ the renegotiated USA tickets that SED reviewed and selected from the "renegotiated ticket" spreadsheet were previously reported as on-time and "renegotiated" in its system. Because a list of PG&E's late tickets in 2016 was provided,¹⁷⁴ SED confirmed that the 2016 "renegotiated tickets" reviewed by SED were not previously reported as late. Below are seven examples in which PG&E falsified the Locate and Mark record to avoid an USA ticket changing into "late" status in its system by entering a response indicating the ticket was "renegotiated", but in fact no mutual agreement was reached. By falsely changing these safety records, PG&E concealed in multiple instances that they violated California Government Code § 4216. There

¹⁷⁰ PG&E's IrthNet administrator has experience and access to retrieve USA tickets information in IrthNet.

¹⁷¹ See Attachment 40 - PG&E's response (Index 10516), p. 2.

¹⁷² See Attachment 40 - PG&E's response (Index 10516), p. 3.

¹⁷³ See Attachment 40 - PG&E's response (Index 10516), p. 2.

¹⁷⁴ See Attachment 41 - PG&E's response (Index 10516.04) - 2016 late tickets.

were a few instances, as indicated in the examples, that excavator had completed or begun the excavation before the identified excavation site was marked.

Locating and marking the subsurface installation is a mean to reduce excavation damage. Without marking, the excavation was conducted at a higher risk of damaging the subsurface installation. SED notes that PG&E stated, in its “Locate, Mark, & Standby Late Ticket Workarounds – Workout” document dated July 19, 2016, “Excavators get frustrated with delays and dig after 48 hours.”¹⁷⁵ In addition, SED found, in a copy of an email PG&E submitted as part of its data request response (PG&E Index 11718), that [REDACTED], PG&E Field Engineer, wrote on October 4, 2016,

Locate and Mark department systemwide is severely understaffed. Every project GC constructs is not marked in a timely matter and often not marked until a remark call and follow up is requested. This greatly increases cost and risk for safety, this had been an ongoing problem that has consistently become worse. This needs to be addressed immediately as it poses a safety concern and halts production. Bottom line is contractors projects should not take priority over internal projects, we need our projects marked at a minimum of 48 hours from call in. ¹⁷⁶

According to the quoted section above written by a PG&E Field Engineer, PG&E’s Locate and Mark department is severely understaffed, and PG&E’s internal Gas Construction projects not being marked timely greatly increase cost and risk for safety.

1. USA Ticket #0299118 in 2014 Shows PG&E Changed the Due Date and Time without Mutual Agreement with the Excavator

USA Ticket #0299118 and its management history are shown in Figure 2. This ticket was created when the excavator, **Bowen Engineering & Environmental**, notified USA North 811 on July 28, 2014 about its work, “EXC/HAND DIG TO REM IRRIG PIPE L”, which would begin at 7:00 am on August 4, 2014. PG&E received the notification about this excavation at 2:30:07 pm on July 28, 2014. PG&E needed to perform the duties pursuant to California Government Code § 4216.3(a)(1) or renegotiate with the excavator for a new excavation start date and time by 7:00 am on August 4, 2014.

¹⁷⁵ See Attachment 42 - “Locate, Mark, & Standby Late Ticket Workarounds – Workout” document dated July 19, 2016, p. 8.

¹⁷⁶ See Attachment 43 - [REDACTED] email - October 2016, p. 2.

PG&E's personnel, [REDACTED], entered a "Notification of New Start Time"¹⁷⁷ response at 3:53:19 pm on August 1, 2014 indicating that a new start time of 1:00 pm on August 4, 2014 was negotiated with [REDACTED] by phone call. However, the note from [REDACTED] that accompanied the ticket indicated he left a message with the contractor, rather than making the direct contact with the excavator that would be necessary to establish mutual agreement of the new start time. The note reads: "Message left with excavator. [REDACTED]."

After the required excavation time of 7:00 am passed, PG&E's personnel responded to this ticket again at 8:57:16 am on August 4, 2014 with a "No Conflict"¹⁷⁸ response and noted: "Painted 'NoPGE'. See attached pictures." The notes indicated that the personnel visited the identified excavation site and advised the excavator PG&E operates no subsurface installations within the delineated area by painting "NoPGE". Because the due date and time was 7:00 am on August 4, 2014, this was a late response since the ticket was not renegotiated properly. Leaving a message with the excavator was not adequate to establish a mutual agreement of the new start time. However, because PG&E falsely entered a "Notification of New Start Time" response at 3:53:19 pm on August 1, 2014, USA Ticket #0299118¹⁷⁹ was incorrectly counted as on-time and "renegotiated" based on PG&E's IrthNet search functionality at the time. This ticket was falsely recorded as resolved timely.

¹⁷⁷ "Notification of New Start Time" is one of the response selections available in a drop-down menu that are designed to correspond to certain actions in IrthNet. This response is used after a direct contact was made with excavator and a new start date and time have been mutually agreed upon.

¹⁷⁸ "No Conflict" is one of the response selections available in a drop-down menu that are designed to correspond to certain actions in IrthNet. This response is used after clearing PG&E facilities from the vicinity of excavation area or from office.

¹⁷⁹ See Figure 2.

Figure 2 – USA Ticket #0299118 and the Ticket Management History

CONFIDENTIAL – Provided Pursuant to P.U. Code §553 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

This is an EXTERNAL EMAIL. Stop and think before clicking links or opening attachments.

PGEFNO 00180 USAN 07/28/14 14:30:07 0299118 NORMAL NOTICE

Message Number: 0299118 Received by USAN at 14:25 on 07/28/14 by BCD

Work Begins: 08/04/14 at 07:00 Notice: 042 hrs Priority: 2
Night Work: N Weekend Work: N

Expires: 08/25/14 at 23:59 Update By: 08/21/14 at 16:59

Nature of Work: EXC/HAND DIG TO REM IRRIG PIPE L
Done for: SAME Explosives: N
Foreman: CALLER
Field Tel: Cell Tel:
Area Premarked: Y Premark Method: WHITE PAINT
Permit Type: NO
Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: N Excavation Enters Into Street Or Sidewalk Area: Y

Location:
Entire Intersection of: E DINUBA AVE

1

Figure 2 - USA Ticket #0299118 and the Ticket Management History (Continue)

CONFIDENTIAL - Provided Pursuant to P.U. Code §563 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

And: S ORANGE

Place: REEDLEY County: FRESNO State: CA

Long/Lat Long: -119.428779 Lat: 36.588512 Long: -119.426055 Lat: 36.590708

Sent to:

CTYREE = CITY REEDLEY COMFNO = COMCAST-FRESNO
PACBEL = PACIFIC BELL PGEFNO = PGE DISTR FRESNO
SCGVIS = SO CAL GAS VISALIA VERCAL = VERIZON (CA)

Ticket History (All Times in Eastern Time):

8/4/2014 12:58:40 PM: Positive Response to Excavator Delivered

Details: Positive Response to Excavator successfully sent to a phone at [REDACTED]

Notes: No user input was received so it was probably an answering machine. Spoke the response for this ticket and then hung up.

8/4/2014 11:57:17 AM: Positive Response to Excavator Queued

Details: Positive Response to Excavator queued for delivery

7/28/2014 5:31:53 PM: Received

Details: Ticket received for registration code PGEFNO

Distribution

7/28/2014 5:31:53 PM: Put in Folder

Details: Put in Fresno6 Folder by auto process

Notes: Auto Processed per Responsibility Area

7/28/2014 5:31:53 PM: Assigned

Details: Assigned to Fresno 6 - by auto process

Notes: Assigned on folder placement

8/1/2014 6:53:19 PM: Responded

Details: Notification of New Start Time (Ongoing): added by Fresno 6 -, located by [REDACTED] (Locate Time: {2014-08-01 18:45:00}). Positive response was not sent to the excavator because the job was ongoing.

Response entered at GPS [REDACTED]

New Start Time: 8/04/2014 1:00:00 PM

Figure 2 - USA Ticket #0299118 and the Ticket Management History (Continue)

CONFIDENTIAL - Provided Pursuant to P.U. Code §563 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

Method of Contact: Phone Call
Contact Phone: [REDACTED]
Contact Name: [REDACTED]
Facility Types - GT: No
Heavy Equipment? No
Un-Locatable? No
Area Premarked? Yes
Facility Types - GD: No
Facility Types - ET: No
Facility Types - ED: No
Facility Types - FIBER: No
Time Departed: 8/01/2014 3:53:11 PM
Time Arrived: 8/01/2014 3:40:00 PM
Weather: dry; Surface: asphalt
Critical Facility? No
Conductive Type: Valve; Standby? No
Method Used: Conductive
Any Other Means? No

Notes: Message left with excavator. Called [REDACTED]

8/4/2014 11:57:16 AM: Responded
Details: .NO CONFLICT: added by Fresno 6 -, located by [REDACTED]. Locate Time: (2014-08-04 11:56:00)
Response entered at GPS [REDACTED]
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Types - GT: No
Facility Types - GD: No
Facility Types - ET: No
Facility Types - ED: No
Facility Types - FIBER: No
Time Arrived: 8/04/2014 8:42:00 AM
Time Departed: 8/04/2014 8:57:09 AM
Weather: dry; Surface: asphalt
Critical Facility? No; Standby? No
Method Used: Conductive
Conductive Type: Valve
Any Other Means? No

3

Figure 2 - USA Ticket #0299118 and the Ticket Management History (Continue)

CONFIDENTIAL - Provided Pursuant to P.U. Code §503 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

Notes: Painted "No PGE". See attached pictures

8/4/2014 11:57:15 AM: Attachment Added
Details: Attachment added by Fresno 6 -

8/4/2014 11:57:16 AM: Attachment Added
Details: Attachment added by Fresno 6 -

4

2. USA Ticket #0372494 in 2015 Shows PG&E Changed the Due Date and Time Only Minutes Beforehand without Mutual Agreement with the Excavator

USA Ticket #0372494 and its management history are shown in Figure 3. This ticket was created when the excavator, **Accurate Trenching Inc**, notified USA North 811 on August 4, 2015 about its work, "BKHO TO INST UNG UTIL", which would begin at 7:00 am on August 6, 2015. PG&E received the notification about this excavation at 6:38:15 am on August 4, 2015. Pursuant to California Government Code § 4216.3(a)(1), PG&E was required to perform the duties by 7:00 am on August 6, 2015, or renegotiate with the excavator for a new excavation start date and time.

PG&E's personnel, [REDACTED], entered a "Notification of New Start Time" response at 6:44:09 am on August 6, 2015 (approximately 15 minutes before the due date and time) indicating that a new start time of 6:30:13 am on August 7, 2015 was negotiated with

██████████ by phone call. However, the note from ██████████ that accompanied the ticket indicated a “mess” (message) was left with the excavator, rather than making direct contact with the excavator that would be necessary to establish mutual agreement of the new start time. The note reads: “New start date/time negotiated with excavator. See new start time above. Left mess.”

After the due time of 7:00 am passed, ██████████ responded to this ticket again at 12:49:33 pm on August 6, 2015 with a “Facility Marked”¹⁸⁰ response and noted: “Marked primary electric.; Marked secondary electric.-; Placed flags. Located by ██████████” The notes indicated that the PG&E locator ██████████ located and field marked PG&E’s electric facilities within the area delineated for excavation. It is not unusual that other PG&E’s personnel or locators enter notes for the locator of the job since locators occasionally work in pairs or an office clerk could enter notes for the locator if the locator has no access to IrthNet in the field. It is also not unusual that PG&E has subsurface electric facilities but no gas facilities, or vice versa, within the area delineated for excavation. PG&E locators are qualified to respond to both types of facilities and required to follow the same PG&E procedures and California Government Code sections. Because the due date and time was 7:00 am on August 6, 2015, this was a late response since the ticket was not renegotiated properly. ██████████ entered a note 15 minutes before the due time indicating that he left a “mess” (message) with the excavator, but that was not adequate to establish a mutual agreement of the new start time. However, because PG&E falsely entered a “Notification of New Start Time” response at 6:44:09 am on August 6, 2015, USA Ticket #0372494¹⁸¹ was incorrectly counted as on-time and “renegotiated” based on PG&E’s IrthNet search functionality at the time. This ticket was falsely recorded as resolved timely.

¹⁸⁰ “Facility Marked” is one of the response selections available in a drop-down menu that are designed to correspond to certain actions in IrthNet. This response is used after locate and mark is completed.

¹⁸¹ See Figure 3.

Figure 3 – USA Ticket #0372494 and the Ticket Management History

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PGEbfd 00018 USAN 08/04/15 06:38:15 0372494 NORMAL NOTICE

Message Number: 0372494 Received by USAN at 06:35 on 08/04/15 by NHO

Work Begins: 08/06/15 at 07:00 Notice: 020 hrs Priority: 2
Night Work: N Weekend Work: N

Expires: 09/01/15 at 23:59 Update By: 08/28/15 at 16:59

Nature of Work: BKHO TO INST UNG UTIL
Done for: Explosives: N
Foreman: CALLER
Field Tel: Cell Tel:
Area Premarked: Y Premark Method: WHITE PAINT
Permit Type: NO
Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: N Excavation Enters Into Street Or Sidewalk Area: N

Location:
Street Address: SPRING CROSSING DR

1

Figure 3 – USA Ticket #0372494 and the Ticket Management History (Continue)

Cross Street:	MEADOW LAKE DR				
WRK IN FRT/O/PROP AT POSTED LOT/ADDR 20/14929 APP 40' IN					
Place:	BAKERSFIELD, CO AREA	County:	KERN	State:	CA
Long/Lat Long: -119.170663 Lat: 35.395488 Long: -119.166995 Lat: 35.396638					
Sent to:					
BHNbfd = BRIGHT HOUSE NETWORKS NRISAN = NORTH OF RIVER SANI#1					
PACBEL = PACIFIC BELL PGEbfd = PGE DISTR BAKERSFIELD					
SCGBFD = SO CAL GAS BAKERSFIELD SCGTAF = SO CAL GAS TAFT					
VONWTR = VAUGHN WTR CO INC					
Ticket History (All Times in Eastern Time):					
8/4/2015 9:40:48 AM: Received					
Details: Ticket received for registration code PGEbfd					
8/4/2015 9:40:48 AM: Put in Folder					
Details: Put in Bakersfield 4 Folder by auto process					
Notes: Auto Processed per Responsibility Area					
8/4/2015 9:40:48 AM: Assigned					
Details: Assigned to Bakersfield Area 4 - by auto process					
Notes: Assigned on folder placement					
8/6/2015 9:00:24 AM: Ticket Queued					
Details: Ticket queued for delivery					
8/6/2015 9:00:24 AM: Ticket Queued					
Details: Ticket queued for delivery					
8/6/2015 9:00:33 AM: Ticket Delivered					
Details: Ticket successfully sent to [REDACTED]					
8/6/2015 9:00:35 AM: Ticket Delivered					
Details: Ticket successfully sent to [REDACTED]					

2

Figure 3 – USA Ticket #0372494 and the Ticket Management History (Continue)

8/6/2015 9:30:42 AM: Ticket Queued
Details: Ticket queued for delivery

8/6/2015 9:30:54 AM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

8/6/2015 9:44:09 AM: Responded
Details: Notification of New Start Time (Ongoing): added by Bakersfield Area 4 -, located by [REDACTED]. Locate Time: {2015-08-06 09:30:13}
New Start Time: 08/07/2015 06:30:13 AM
Method of Contact: Phone Call
Contact Phone: [REDACTED]
Contact Name: [REDACTED]
User: PGE\mle2
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No
Facility Type - GD: No
Facility Type - ET: No
Facility Type - ED: No
Facility Type - FIBER: No
Time Arrived: 08/06/2015 06:28:13 AM
Time Departed: 08/06/2015 06:31:00 AM
Weather: dry; Surface: asphalt
Gas Footage: 0; Electric Footage: 0
Line Number: ; MP:
Critical Facility? No; Standby? No
Method used: Conductive
Conductive Type: Valve
Any other Means? No; Method:

Notes: New start date/time negotiated with excavator. See new start time above.Left mess.

8/6/2015 9:44:10 AM: Positive Response to Excavator Queued
Details: Positive Response to Excavator queued for delivery

8/6/2015 4:50:25 PM: Attempt to Deliver Positive Response to Excavator Failed
Details: Attempt to deliver Positive Response to Excavator to a fax machine at [REDACTED] failed
Notes: The fax protocol has been terminated from the local side

8/6/2015 4:56:36 PM: Positive Response to Excavator Delivered
Details: Positive Response to Excavator successfully sent to a fax machine at [REDACTED]

8/6/2015 9:52:34 AM: Put in Folder
Details: Put in Bakersfield Backup 1 Folder by Bakersfield Area 4 -

8/6/2015 11:01:59 AM: Attempt to Deliver Positive Response to Excavator Failed
Details: Attempt to deliver Positive Response to Excavator to a fax machine at [REDACTED] failed
Notes: The fax protocol has been terminated from the local side

Figure 3 – USA Ticket #0372494 and the Ticket Management History (Continue)

8/6/2015 11:08:45 AM: Positive Response to Excavator Delivered
Details: Positive Response to Excavator successfully sent to a fax machine at [REDACTED]

8/6/2015 9:52:34 AM: Assigned
Details: Assigned to Bakersfield Backup 1 - by Bakersfield Area 4 -
Notes: Assigned on folder placement

8/6/2015 3:49:33 PM: Attachment Added
Details: Attachment added by Bakersfield Backup 1 -

8/6/2015 3:49:33 PM: Attachment Added
Details: Attachment added by Bakersfield Backup 1 -

8/6/2015 3:49:33 PM: Attachment Added
Details: Attachment added by Bakersfield Backup 1 -

8/6/2015 3:49:33 PM: Responded
Details: .FACILITY MARKED: added by Bakersfield Backup 1 -, located by [REDACTED]. Locate Time: {2015-08-06 15:48:00}
Response entered at GPS: [REDACTED]
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Types - GT: No
Facility Types - GD: No
Facility Types - ET: No
Facility Types - ED: Yes
Facility Types - FIBER: No
Time Arrived: 8/06/2015 12:20:00 PM
Time Departed: 8/06/2015 12:49:18 PM
Weather: dry; Surface: concrete
Critical Facility? No
Conductive Type: Valve; Standby? No
Method Used: Conductive
Any Other Means? No

Notes: Marked primary electric.; Marked secondary electric. -; Placed flags. located by [REDACTED]

8/6/2015 3:49:33 PM: Positive Response to Excavator Queued

Figure 3 – USA Ticket #0372494 and the Ticket Management History (Continue)



3. USA Ticket #0430147 in 2014 Shows PG&E Changed the Due Date and Time without Mutual Agreement with the Excavator

USA Ticket #0430147 and its management history are shown in Figure 4. This ticket was created when the excavator, **Leo Tidwell Excavating**, notified USA North 811 on November 6, 2014 about its work, “DIRECTIONAL BORING/TR TO INST CON & BOX”, which the area of excavation needed to be re-marked¹⁸² by 12:45 am on November 10, 2014.

¹⁸² Prior to 2017, California Government Code § 4216.3 (c) states that, “If, at any time during an excavation for which there is a valid inquiry identification number, an operator’s field markings are no longer reasonably visible, the excavator shall contact the appropriate regional notification center. The regional notification center shall contact any member, if known, who has a subsurface installation in the area of the excavation. Upon receiving timely notification or renotification pursuant to this subdivision, the operator shall re-locate and re-mark, within two working days, those subsurface installations that may be affected by the excavation to the extent necessary, in conformance with this section.”

PG&E received the notification about this re-mark request at 12:37:01 pm on November 6, 2014. USA North 811 documented a note from the excavator and it reads: "#3 FOLLOW-UP MESSAGE: RE-MARK YES ORIG DATE 10/15/2014-BMD 11/06/2014 – CHARTER COMM SLO, LEVEL 3 COMM – CALF, MCI WORDCOM, PACIFIC BELL, PGE DISTR SAN LUIS OBISP, QWEST COMM (CA) RE-MARKING to be completed by 11/10/2014 12:45:00 PM PER [REDACTED]".¹⁸³ Because the note indicated that the excavator would like the re-marking to be completed by 12:45 pm on November 10, 2014, PG&E had until that date and time to perform the duties pursuant to California Government Code § 4216.3(a)(1) or renegotiate with the excavator for a new re-marking due date and time.

PG&E's personnel, [REDACTED], entered a "Notification of New Start Time" response at 10:59:19 am on November 10, 2014 indicating that a new start time of 10:53 am on November 13, 2014 was negotiated with [REDACTED] by using voicemail as the method of contact, rather than making the direct contact with the excavator that would be necessary to establish mutual agreement of the new start time. In the ticket, he also noted: "New start date/time communicated to excavator."

Because the re-marking due date and time was 12:45 pm on November 10, 2014, and there was no another timely response in the ticket history before that, this re-marking was late. Not only this ticket was late, there were also no evidences in the ticket history showing the locator performing the re-mark or any follow-up. However, because PG&E falsely entered a "Notification of New Start Time" response at 10:59:19 am on November 10, 2014, re-marking for USA Ticket #0430147¹⁸⁴ was counted as on-time and "renegotiated" based on PG&E's IrthNet search functionality at the time. This re-marking request was falsely recorded as resolved timely.

¹⁸³ See Figure 4.

¹⁸⁴ See Figure 4.

Figure 4 – USA Ticket #0430147 and the Ticket Management History

CONFIDENTIAL - Provided Pursuant to P.U. Code §503 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

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PGESLO 00050 USAN 11/06/14 12:37:01 0430147 NORMAL NOTICE FOLLOW-UP

Message Number: 0430147 Received by USAN at 12:36 on 11/06/14 by BMD

Work Begins: 10/17/14 at 14:30 Notice: 020 hrs Priority: 2
Night Work: Y Weekend Work: Y

Expires: 12/10/14 at 23:59 Update By: 12/08/14 at 16:59

Nature of Work: DIRECTIONAL BORING/TR TO INST CON & BOX
Done for: Explosives: N
Foreman: CALLER
Field Tel: Cell Tel:
Area Premarked: Y Premark Method: WHITE PAINT
Permit Type: CITY Number: UNKNOWN
Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: Y Excavation Enters Into Street Or Sidewalk Area: Y

Location:

1

Figure 4 – USA Ticket #0430147 and the Ticket Management History (Continue)

CONFIDENTIAL - Provided Pursuant to P.U. Code §563 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

W/SI/O RIVERSIDE AVE FR 13TH ST TO 17TH ST
EXT 10' FR BK/O WLK FOR ENT DIST

Place: PASO ROBLES, CO AREA County: SAN LUIS OBISPO State: CA

Long/Lat Long: -120.688156 Lat: 35.627921 Long: -120.686976 Lat: 35.632122

Excavator Requests Operator(s) To Re-mark Their Facilities: Y
Operator(s) To Re-mark Their Facilities:
CHASLO = CHARTER COMM SLO LEVCAL = LEVEL 3 COMM - CALIF
MCIWSA = MCI WORLDCOM PACBEL = PACIFIC BELL
PGESLO = PGE DISTR SAN LUIS OBISP SPTTEL = QWEST COMM (CA)

Comments:
#1 FOLLOW-UP MESSAGE: RE-MARK YES ORIG DATE 10/15/2014-TLF 10/22/2014
- PACIFIC BELL RE-MARKING to be completed by 10/24/2014 02:15:00 PM PLS CALL [REDACTED] ASAP.-PER [REDACTED]
#2 EXTEND TO 12/10/2014 RE-MARK NO ORIG DATE 10/15/2014-[REDACTED]
11/06/2014 -PER [REDACTED]
#3 FOLLOW-UP MESSAGE: RE-MARK YES ORIG DATE 10/15/2014-BMD 11/06/2014
- CHARTER COMM SLO, LEVEL 3 COMM - CALIF, MCI WORLDCOM, PACIFIC BELL, PGE DISTR SAN LUIS OBISP, QWEST COMM (CA) RE-MARKING to be completed by 11/10/2014 12:45:00 PM PER [REDACTED]

Sent to:
CHASLO = CHARTER COMM SLO CTYPRO = CITY PASO ROBLES
LEVCAL = LEVEL 3 COMM - CALIF MCIWSA = MCI WORLDCOM
PACBEL = PACIFIC BELL PGESLO = PGE DISTR SAN LUIS OBISP
SPTTEL = QWEST COMM (CA) SCGTEM = SO CAL GAS TEMPLETON
SPRINT = SPRINT

Ticket History (All Times in Eastern Time):
11/10/2014 1:59:05 PM: Responded
Details: Notification of New Start Time: added by Templeton South -, located by [REDACTED] . Locate Time: (2014-11-10 13:53:00)
Response entered at GPS [REDACTED]
New Start Time: 11/13/2014 10:53:00 AM
Method of Contact: Voicemail
Contact Phone: [REDACTED]
Contact Name: [REDACTED]
Facility Types - GT: No
Heavy Equipment? No

2

Figure 4 – USA Ticket #0430147 and the Ticket Management History (Continue)

CONFIDENTIAL - Provided Pursuant to P.U. Code §503 and Confidentiality Declaration ("Index 10592_Confidentiality Declaration.pdf")

Un-Locatable? No
 Area Premarked? Yes
 Facility Types - GD: No
 Facility Types - ET: No
 Facility Types - ED: No
 Facility Types - FIBER: No
 Time Departed: 11/10/2014 10:55:47 AM
 Time Arrived: 11/10/2014 10:50:00 AM
 Weather: dry; Surface: asphalt
 Critical Facility? No
 Conductive Type: Valve; Standby? No
 Method Used: Conductive
 Any Other Means? No

Notes: New start date/time communicated to excavator.

11/10/2014 1:59:11 PM: Positive Response to Excavator Queued
 Details: Positive Response to Excavator queued for delivery

11/10/2014 2:01:19 PM: Positive Response to Excavator Delivered
 Details: Positive Response to Excavator successfully sent to [REDACTED]

11/6/2014 3:39:50 PM: Received
 Details: Ticket received for registration code PGESLO

11/6/2014 3:39:50 PM: Put in Folder
 Details: Put in Templeton South Folder by auto process
 Notes: Auto Processed per Responsibility Area

11/6/2014 3:39:50 PM: Assigned
 Details: Assigned to Templeton South - by auto process
 Notes: Assigned on folder placement

3

4. USA Ticket #0364841 in 2014 Shows PG&E Changed the Due Date and Time without Mutual Agreement with the Excavator

USA Ticket #0364841 and its management history are shown in Figure 5. This ticket was created when the excavator, Basin Enterprises/International Lin, notified USA North 811 on September 8, 2014 about its work, “AUGER TO REPL PWR POLE”, which would begin at 7:00 am on September 19, 2014. PG&E received the notification about this excavation at 9:50 am on September 8, 2014. Pursuant to California Government Code § 4216.3(a)(1), PG&E was required to perform the duties by 7:00 am on September 19, 2014 or renegotiate with the excavator for a new due date and time.

PG&E’s personnel, [REDACTED], entered a “Notification of New Start Time” response at 7:23:25 am on September 19, 2014 (approximately 23 minutes after the due date

and time) indicating that a new start time of 12:54:51 pm on September 19, 2014 was negotiated with [REDACTED] by voicemail. Based only on the time that this response was entered, this ticket was already late. However, this ticket was found in the “renegotiated” tickets spreadsheet. Because the “locate time” of this response was listed on the ticket as 6:54:51am (approximately 5 minutes before the due date and time) on September 19, 2014, it appears that the “locate time” was used by PG&E to determine the timeliness of its response. In this case, it appears that [REDACTED] realized the ticket was approaching its due time, and wanted to request more time. However, the ticket suggests there was no negotiation for a new due time. By choosing voicemail as the method of contact, it indicated that PG&E was not able to reach the excavator and did not establish a mutual agreement of the new start time. Because [REDACTED] falsely entered a “Notification of New Start Time” response, USA Ticket #0364841¹⁸⁵ was incorrectly counted as on-time ticket and “renegotiated” based on PG&E’s IrthNet search functionality at the time. The ticket was falsely recorded as resolved timely.

[REDACTED] responded to this ticket again at 11:42:06 am on September 19, 2014 with an “Excavated before Marked”¹⁸⁶ response and noted: “This site was excavated before being marked by PG&E.” The notes indicated that [REDACTED] visited the area delineated for excavation and observed that the excavator had completed or begun the excavation. The risk of damaging the subsurface installation was higher when the excavation was conducted without the identified excavation site being marked. A proper renegotiation and mutually agreed new start date and time could have prevented the excavator from taking the risk of damaging the subsurface installation.

¹⁸⁵ See Figure 5.

¹⁸⁶ “Excavated before Marked” is one of the response selections available in a drop-down menu that are designed to correspond to certain actions in IrthNet. This response is used when excavator began excavation before PG&E marks.

Figure 5 – USA Ticket #0364841 and the Ticket Management History (Continue)

Place: BAKERSFIELD County: KERN State: CA

Long/Lat Long: -118.991474 Lat: 35.356744 Long: -118.989462 Lat: 35.358392

Sent to:

BHNBFD = BRIGHT HOUSE NETWORKS CWSBFD = CALIF WTR SVC-BAKERSFLD
CTYBFD = CITY BAKERSFIELD PACBEL = PACIFIC BELL
PGEBFD = PGE DISTR BAKERSFIELD

Ticket History (All Times in Eastern Time):

9/8/2014 12:51:51 PM: Received

Details: Ticket received for registration code PGEBFD

9/8/2014 12:51:51 PM: Put in Folder

Details: Put in Bakersfield 1 Folder by auto process

Notes: Auto Processed per Responsibility Area

9/8/2014 12:51:51 PM: Assigned

Details: Assigned to Bakersfield Area 1 - by auto process

Notes: Assigned on folder placement

9/19/2014 10:23:25 AM: Responded

Details: Notification of New Start Time (Ongoing): added by Bakersfield Area 1 -, located by [REDACTED]. Locate Time: {2014-09-19 09:54:51}

New Start Time: 09/19/2014 12:54:51 PM

Method of Contact: Voicemail

Contact Phone: [REDACTED]

Contact Name: [REDACTED]

User: PGE\B1Wb
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No

Facility Type - GD: No

Facility Type - ET: No

Facility Type - ED: No

Facility Type - FIBER: No

Time Arrived: 09/19/2014 06:53:51 AM

Time Departed: 09/19/2014 06:56:47 AM

Weather: dry; Surface: asphalt
Gas Footage: 0; Electric Footage: 0
Line Number: ; MP:
Critical Facility? No; Standby? No
Method used: Conductive
Conductive Type: Valve
Any other Means? No; Method:

Notes: New start date/time communicated to excavator.

Figure 5 – USA Ticket #0364841 and the Ticket Management History (Continue)

EXCAVATOR POSITIVE RESPONSE NOTES:
Any questions call [REDACTED]

9/19/2014 10:23:26 AM: Positive Response to Excavator Queued
Details: Positive Response to Excavator queued for delivery

9/19/2014 10:25:30 AM: Positive Response to Excavator Delivered
Details: Positive Response to Excavator successfully sent to [REDACTED]

9/19/2014 2:42:06 PM: Responded
Details: EXCAVATED BEFORE MARKED: added by Bakersfield Area 1 -, located by [REDACTED]. Locate Time: {2014-09-19 11:51:18}
User: PGE\B1Wb
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No
Facility Type - GD: No
Facility Type - ET: No
Facility Type - ED: No
Facility Type - FIBER: No
Time Arrived: 09/19/2014 08:50:18 AM
Time Departed: 09/19/2014 08:51:45 AM
Weather: dry; Surface: asphalt
Gas Footage: 0; Electric Footage: 0
Line Number: ; MP:
Critical Facility? No; Standby? No
Method used:
Conductive
Conductive Type: Valve
Any other Means? No; Method:

Notes: This site was excavated before being marked by PG&E.
EXCAVATOR POSITIVE RESPONSE NOTES:
Any questions call [REDACTED]

9/19/2014 2:42:06 PM: Positive Response to Excavator Queued
Details: Positive Response to Excavator queued for delivery

9/19/2014 2:44:08 PM: Positive Response to Excavator Delivered
Details: Positive Response to Excavator successfully sent to [REDACTED]

3

5. USA Ticket #0411749 in 2014 Shows PG&E Changed the Due Date and Time without Mutual Agreement with the Excavator

USA Ticket #0411749 and its management history are shown in Figure 6. This ticket was created when the excavator, **International Line Builders/Basin E**, notified USA North 811 on October 6, 2014 about its work, “AUGER TO REPL POLE”, which would begin at 7:00 am on October 15, 2014. PG&E received the notification about this excavation at 8:55:29 am on October 6, 2014. Pursuant to California Government Code § 4216.3(a)(1), PG&E was required to perform the duties by 7:00 am on October 15, 2014 or renegotiate with the excavator for a new due date and time.

PG&E’s personnel, [REDACTED], entered a “Notification of New Start Time” response at 3:20:05 pm on October 14, 2014 indicating that a new start time of 3:07:30 pm on

October 15, 2014 was negotiated with [REDACTED] by using voicemail as the method of contact, rather than making the direct contact with the excavator that would be necessary to establish mutual agreement of the new start time. In the ticket, he also noted: “New start date/time communicated to excavator.”

After the due time of 7:00 am passed, PG&E’s personnel responded to this ticket again at 12:22:25 pm on October 15, 2014 with an “Excavated before Marked” response and noted: “This site was excavated before being marked by PG&E.” The notes indicated that the [REDACTED] [REDACTED] visited the area delineated for excavation and observed that the excavator had completed or begun the excavation. Because the due date and time was 7:00 am on October 15, 2014, and the ticket was not rescheduled properly (by mutual agreement with the excavator), this ticket was late. This was the [REDACTED] second USA ticket with voicemail as the method of contact that SED found during the meeting with PG&E’s IrthNet administrator on March 15, 2017. Again, this ticket had its identified site excavated before marked. Thus the excavation was conducted at a higher risk of damaging the subsurface installation. Because PG&E’s personnel falsely entered a “Notification of New Start Time” response at 3:20:05 pm on October 14, 2014, USA Ticket #0411749¹⁸⁷ was incorrectly counted as on-time and “renegotiated” based on PG&E’s IrthNet search functionality at the time. This ticket was falsely recorded as resolved timely.

¹⁸⁷ See Figure 6.

1

Figure 6 – USA Ticket #0411749 and the Ticket Management History (Continue)

WRK ON THE REAR/O THE ADDR TO EXT APP 150' INTO PROP

Place: BAKERSFIELD, CO AREA County: KERN State: CA

Long/Lat Long: -118.950659 Lat: 35.373182 Long: -118.950323 Lat: 35.373706

Sent to:
BHNbfd = BRIGHT HOUSE NETWORKS CWSbfd = CALIF WTR SVC-BAKERSFLD
CTYbfd = CITY BAKERSFIELD ENICSD = E. NILES COM SVC DIST
PACBEL = PACIFIC BELL PGEBFD = PGE DISTR BAKERSFIELD

Ticket History (All Times in Eastern Time):
10/14/2014 6:20:03 PM: Responded
Details: Notification of New Start Time (Ongoing): added by Bakersfield Area 1 -, located by [REDACTED], Locate Time: {2014-10-14 18:07:30}
New Start Time: 10/15/2014 03:07:30 PM
Method of Contact: Voicemail
Contact Phone: [REDACTED]
Contact Name: [REDACTED]
User: PGE\B1WB
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No
Facility Type - GD: No
Facility Type - ET: No
Facility Type - ED: No
Facility Type - FIBER: No
Time Arrived: 10/14/2014 03:06:30 PM
Time Departed: 10/14/2014 03:09:19 PM
Weather: dry; Surface: asphalt
Gas Footage: 0; Electric Footage: 0
Line Number; ; MP:
Critical Facility? No; Standby? No
Method used: Conductive
Conductive Type: Valve
Any other Means? No; Method:

Notes: New start date/time communicated to excavator.
EXCAVATOR POSITIVE RESPONSE NOTES:
Any questions call [REDACTED]

10/15/2014 3:22:25 PM: Responded
Details: EXCAVATED BEFORE MARKED: added by Bakersfield Area 1 -, located by [REDACTED], Locate Time: {2014-10-15 12:28:50}
User: PGE\B1WB
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No
Facility Type - GD: No
Facility Type - ET: No
Facility Type - ED: No
Facility Type - FIBER: No

2

Figure 6 – USA Ticket #0411749 and the Ticket Management History (Continue)

Time Arrived: 10/15/2014 09:27:49 AM
 Time Departed: 10/15/2014 09:29:08 AM
 Weather: dry; Surface: asphalt
Gas Footage: 0; Electric Footage: 0
Line Number: ; MP:
Critical Facility? No; Standby? No
Method used:
 Conductive
Conductive Type: Valve
Any other Means? No; Method:

 Notes: This site was excavated before being marked by PG&E.
 EXCAVATOR POSITIVE RESPONSE NOTES:
 Any questions call [REDACTED]

10/15/2014 3:24:41 PM: Positive Response to Excavator Delivered
 Details: Positive Response to Excavator successfully sent to [REDACTED]

10/15/2014 3:22:32 PM: Positive Response to Excavator Queued
 Details: Positive Response to Excavator queued for delivery

10/14/2014 6:22:18 PM: Positive Response to Excavator Delivered
 Details: Positive Response to Excavator successfully sent to [REDACTED]

10/14/2014 6:20:03 PM: Positive Response to Excavator Queued
 Details: Positive Response to Excavator queued for delivery

10/6/2014 12:34:12 PM: Received
 Details: Ticket received for registration code PGEBFD

10/6/2014 12:34:12 PM: Put in Folder
 Details: Put in Bakersfield 1 Folder by auto process
 Notes: Auto Processed per Responsibility Area

10/6/2014 12:34:12 PM: Assigned
 Details: Assigned to Bakersfield Area 1 - by auto process
 Notes: Assigned on folder placement

3

6. USA Ticket #W612000634 in 2016 Shows PG&E Changed the Due Date and Time without Mutual Agreement with the Excavator

USA Ticket #W612000634 and its management history are shown in Figure 7. This ticket was created when the excavator, Cal Valley Construction, notified USA North 811 on April 29, 2016 about its work, “HAND DIG TO REP ASPHALT”, which would begin at 7:00 am on May 2, 2016. PG&E received the notification about this excavation at 10:25:43 am on April 29, 2016 (Friday). Pursuant to California Government Code § 4216.3(a)(1), PG&E was required to perform the duties by 10:25:43 am on May 3, 2016 (48 hours excluding weekends as required by California Government Code § 4216 prior to 2017) or renegotiate with the excavator for a new due date and time.

PG&E’s personnel, [REDACTED], entered a “Notification of New Start Time” response at 6:55:27 am on May 2, 2016 (5 minutes before the excavator stated work begin time) indicating

that a new start time of 6:48 am on May 3, 2016 was negotiated with [REDACTED] by using voicemail as the method of contact, rather than making the direct contact with the excavator that would be necessary to establish mutual agreement of the new start time. In the ticket, he also noted: “New start date/time negotiated with excavator. See new start time above.” Based on the California Government Code § 4216, the due date and time was 10:25:43 am on May 3, 2016 even though the excavator provided an excavation start date and time of 7:00 am on May 2, 2016. The excavator needed to give the operator 48 hours excluding weekend to respond. Because of that, the new start date and time in this response did not give PG&E more time as the new start date and time was still earlier than the due date and time established by California Government Code § 4216. Regardless the reason behind the personnel entering this response, voicemail was not a proper method of contact when using “Notification of New Start Time” response since mutual agreement cannot be established by just leaving a voice message.

Moreover, even though the excavator’s requested locate and mark due date was earlier than was required of PG&E, PG&E was still required to respond in a timely manner to the ticket, but apparently did not. The notes on the ticket suggest [REDACTED] did not respond to this ticket again until 9:09:48 am on May 11, 2016 (almost 12 days after PG&E received notification of the ticket). The notes included an “Excavated before Marked” response and also explained: “This site was excavated before being marked by PG&E. work is completed per [REDACTED]”. There was no other response between the due date and time and the last response of the ticket, which was an “Excavated before Marked” response. Again, because it was done before the marking, the excavation was conducted at a higher risk of damaging the subsurface installation. Because PG&E falsely entered a “Notification of New Start Time” response at 6:55:27 am on May 2, 2016, USA Ticket # W612000634¹⁸⁸ was incorrectly counted as on-time and “renegotiated” based on PG&E’s IrthNet search functionality at the time. This ticket was falsely recorded as resolved timely.

¹⁸⁸ See Figure 7.

Figure 7 – USA Ticket #W612000634 and the Ticket Management History

This is an EXTERNAL EMAIL. Stop and think before clicking links or opening attachments.

PGESAL 00024 USANW 04/29/16 10:25:43 W612000634-00W SHRT NEW POLY LREQ

Message Number: W612000634 Rev: 00W Received by USAN at 10:18 on 04/29/16

Work Begins: 05/02/16 at 07:00 Notice: 010 hrs Priority: 1
Night Work: N Weekend Work: Y

Expires: 05/27/16 at 23:59 Update By: 05/25/16 at 00:00

Nature of Work: HAND DIG TO REP ASPHALT
Done for: Explosives: N
Foreman:
Cell Tel:
Area Premarked: Y Premark Method: WHITE PAINT
Permit Type: NO
Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: N Excavation Enters Into Street Or Sidewalk Area: Y

Location:
Street Address: LOCKEWOOD LN
Cross Street: GRAHAM HILL RD

1

Figure 7 – USA Ticket #W612000634 and the Ticket Management History (Continue)

WRK ENT INT/O LOCKEWOOD LN & GRAHAM HILL RD CONT 550' NE ON B/SI/O LOCKEWOOD LN & EXT 15' INTO PROP ON B/SI/O ST FOR ENT DIST

Place: SCOTTS VALLEY /U County: SANTA CRUZ State: CA

Long/Lat Long: -122.040352 Lat: 37.036043 Long: -122.043328 Lat: 37.039166

Excavator Requests Operator(s) To Re-mark Their Facilities: N

Sent to:

CAWSA3 = CALIFORNIA AMERICAN WATER SA COMSCZ = COMCAST-SANTA CRUZ

COSCR2 = CO SANTA CRUZ TRF SIG CTYSC2 = CITY SANTA CRUZ TRF MAIN

CTYSC3 = CITY SANTA CRUZ WASTEWTR CTYSCZ = CITY SANTA CRUZ

CTYSVA = CITY SCOTTS VALLEY MHEMUD = MT HERMON ASSOCIATION

PACBEL = PACIFIC BELL PGESAL = PGE DISTR SALINAS

SCTVLY = SCOTTS VLY WTR DIST SLVWTR = SAN LORENZO VLY WTR D

Ticket History (All Times in Eastern Time):

4/29/2016 1:26:20 PM: Ticket Delivered

Details: Ticket successfully sent to [REDACTED]

4/29/2016 1:26:12 PM: Ticket Queued

Details: Ticket queued for delivery

4/29/2016 1:26:11 PM: Assigned

Details: Assigned to Santa Cruz - by auto process

Notes: Assigned on folder placement

4/29/2016 1:26:11 PM: Put in Folder

Details: Put in Santa Cruz Folder by auto process

Notes: Auto Processed per Responsibility Area

4/29/2016 1:26:11 PM: Received

Details: Ticket received for registration code PGESAL

5/2/2016 9:55:27 AM: Positive Response to Excavator Queued

Details: Positive Response to Excavator queued for delivery

5/2/2016 9:57:29 AM: Positive Response to Excavator Delivered

Details: Positive Response to Excavator successfully sent to [REDACTED]

Figure 7 – USA Ticket #W612000634 and the Ticket Management History (Continue)

5/11/2016 12:09:49 PM: Positive Response to Excavator Queued
Details: Positive Response to Excavator queued for delivery

5/11/2016 12:09:57 PM: Positive Response to Excavator Delivered
Details: Positive Response to Excavator successfully sent to [REDACTED]

5/2/2016 9:55:27 AM: Responded

Details: Notification of New Start Time (Ongoing): added by Santa Cruz -, located by [REDACTED] Locate Time: {2016-05-02 09:48:00}

New Start Time: 05/03/2016 06:48

Method of Contact: Voicemail

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Area Premarked? Yes

Un-Locatable? No

Heavy Equipment? No

Facility Type - GT: No

Facility Type - GD: No

Facility Type - ET: No

Facility Type - ED: No

Facility Type - FIBER: No

PM #

Time Arrived: 05/02/2016 06:46

Weather: dry

Surface: asphalt

Gas Footage: 0

Electric Footage: 0

Line Number:

MP:

Critical Facility? No

Standby? No

Method Used: Conductive

Conductive type: Valve

Any other Means? No

Method:

Time Departed: 05/02/2016 06:48

Notes: New start date/time negotiated with excavator. See new start time above.

5/11/2016 12:09:48 PM: Responded

Figure 7 – USA Ticket #W612000634 and the Ticket Management History (Continue)

Details: EXCAVATED BEFORE MARKED: added by Santa Cruz -, located by [REDACTED] : Locate Time: {2016-05-11 12:06:00}

Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No
Facility Type - GD: No
Facility Type - ET: No
Facility Type - ED: No
Facility Type - FIBER: No
PM #
Time Arrived: 05/11/2016 09:04
Weather: dry
Surface: asphalt
Gas Footage: 0
Electric Footage: 0
Line Number:
MP:
Critical Facility? No
Standby? No
Method Used: Conductive
Conductive type: Valve
Any other Means? No
Method:
Time Departed: 05/11/2016 09:06
Notes: This site was excavated before being marked by PG&E. work is completed per [REDACTED]

4

7. USA Ticket #W612001130 in 2016 Shows PG&E Changed the Due Date and Time without Mutual Agreement with the Excavator

USA Ticket #W612001130 and its management history are shown in Figure 8. This ticket was created when the excavator, **R.H. Kiggins Construction**, notified USA North 811 on April 29, 2016 about its work, “BKHO FOR FOOTINGS”, which would begin at 1:45 pm on May 3, 2016. PG&E received the notification about this excavation at 1:30:35 am on April 29, 2016. Pursuant to California Government Code § 4216.3(a)(1), PG&E was required to perform the duties by 1:45 pm on May 3, 2016 or renegotiate with the excavator for a new due date and time.

PG&E’s personnel, [REDACTED], entered a “Notification of New Start Time” response at 1:50:26 pm on May 3, 2016 (approximately five minutes after the due date and time) indicating that a new start time of 3:30 pm on May 3, 2016 was negotiated with [REDACTED] by [REDACTED]

using voicemail as the method of contact and noted: “New start date/time negotiated with excavator. See new start time above.” Based only on the time that this response was entered, this ticket was already late. However, this ticket was found in the “renegotiated” tickets spreadsheet. Because the “locate time” of this response was listed on the ticket as 11:35 am (approximately two hours before the due date and time) on May 3, 2016, it appears that the “locate time” was used by PG&E to determine the timeliness of its response. Regardless of the time the renegotiation was made, voicemail was not adequate to establish a mutually agreeable start date and time.

After the due time of 1:45 pm passed, there was a “Facility Marked” response entered at 4:47:07 pm on May 3, 2016 with a “locate time” of 2:26:09 pm on May 3, 2016 by [REDACTED], but the response was “rejected because the ticket was closed.” This indicated that [REDACTED] tried entering another response to this ticket after it was “renegotiated” but the ticket was closed already. Because the due date and time was 1:45 pm on May 3, 2016, this attempt was late since the ticket was not rescheduled properly. However, because PG&E falsely entered a “Notification of New Start Time” response at 1:50:26 pm on May 3, 2016, USA Ticket #W612001130¹⁸⁹ was incorrectly counted as on-time and “renegotiated” based on PG&E’s IrthNet search functionality at the time. This ticket was falsely recorded as resolved timely.

¹⁸⁹ See Figure 8.

Figure 8 – USA Ticket #W612001130 and the Ticket Management History

[REDACTED]

[REDACTED]
[REDACTED] [REDACTED]
[REDACTED]

This is an EXTERNAL EMAIL. Stop and think before clicking links or opening attachments.

PGEFNO 00140 USANW 04/29/16 13:30:35 W612001130-00W NORM NEW POLY LREQ

Message Number: W612001130 Rev: 00W Received by USAN at 13:24 on 04/29/16

Work Begins: 05/03/16 at 13:45 Notice: 020 hrs Priority: 2
Night Work: N Weekend Work: N

Expires: 05/27/16 at 23:59 Update By: 05/25/16 at 00:00

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Nature of Work: BKHO FOR FOOTINGS

Done for: XXXXXXXXXX Explosives: N

Foreman: UNKNOWN

Cell Tel:

Area Premarked: Y Premark Method: WHITE PAINT

Permit Type: NO

Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: N Excavation Enters Into Street Or Sidewalk Area: N

Location:

Street Address: 65 W HANFORD ARMONA RD

Cross Street: N 18TH AVE

Figure 8 – USA Ticket #W612001130 and the Ticket Management History (Continue)

WRK ENT PROP APP 185' IN (WRK MULTIPLE LOCS AT SITE PER CALLER)

Place: LEMOORE County: KINGS State: CA

Long/Lat Long: -119.775732 Lat: 36.312060 Long: -119.786976 Lat: 36.314819

Excavator Requests Operator(s) To Re-mark Their Facilities: N

Sent to:
COMVIS = COMCAST-VISALIA CTYLEM = CITY LEMOORE
PACBEL = PACIFIC BELL PGEFNO = PGE DISTR FRESNO
SCGVIS = SO CAL GAS VISALIA

Ticket History (All Times in Eastern Time):
4/29/2016 4:30:47 PM: Received
Details: Ticket received for registration code PGEFNO

5/3/2016 4:50:30 PM: Positive Response to Excavator Delivered
Details: Positive Response to Excavator successfully sent to [REDACTED]

5/3/2016 4:50:26 PM: Positive Response to Excavator Queued
Details: Positive Response to Excavator queued for delivery

Distribution
5/3/2016 7:47:07 PM: Response Rejected
Details: Fresno 6 - attempted to add response ".FACILITY MARKED, located by [REDACTED] Locate Time: (2016-05-03 17:26:09)". The response was rejected because the ticket was closed.

5/3/2016 4:50:26 PM: Responded
Details: Notification of New Start Time: added by Fresno 6 -, located by [REDACTED] Locate Time: (2016-05-03 14:35:00)
New Start Time: 05/03/2016 15:30
Method of Contact: Voicemail
Contact Name: [REDACTED]
Contact Phone: [REDACTED]
Area Premarked? Yes
Un-Locatable? No
Heavy Equipment? No
Facility Type - GT: No
Facility Type - GD: No

2

Figure 8 – USA Ticket #W612001130 and the Ticket Management History (Continue)

Facility Type - ET: No
Facility Type - ED: No
Facility Type - FIBER: No
PM #
Time Arrived: 05/03/2016 11:34
Weather: dry
Surface: asphalt
Gas Footage: 0
Electric Footage: 0
Line Number:
MP:
Critical Facility? No
Standby? No
Method Used: Conductive
Conductive type: Valve
Any other Means? No
Method:
Time Departed: 05/03/2016 11:35

Notes: New start date/time negotiated with excavator. See new start time above.

5/3/2016 4:40:36 PM: Ticket Delivered

Details: Ticket successfully sent to [REDACTED]

5/3/2016 4:36:09 PM: Ticket Queued

Details: Ticket queued for delivery

5/3/2016 4:36:09 PM: Ticket Queued

Details: Ticket queued for delivery

5/3/2016 4:24:33 PM: Attempt to Deliver Ticket Failed

Details: Attempt to deliver Ticket to [REDACTED] failed

Notes: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

5/3/2016 4:22:22 PM: Attempt to Deliver Ticket Failed

Details: Attempt to deliver Ticket to [REDACTED] failed

Notes: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

5/3/2016 3:46:10 PM: Ticket Delivered

Details: Ticket successfully sent to [REDACTED]

Figure 8 – USA Ticket #W612001130 and the Ticket Management History (Continue)

5/3/2016 3:45:55 PM: Ticket Queued
Details: Ticket queued for delivery

5/3/2016 3:45:55 PM: Ticket Queued
Details: Ticket queued for delivery

5/3/2016 3:45:55 PM: Ticket Queued
Details: Ticket queued for delivery

5/3/2016 3:45:55 PM: Ticket Queued
Details: Ticket queued for delivery

5/3/2016 4:18:04 PM: Attempt to Deliver Ticket Failed
Details: Attempt to deliver Ticket to [REDACTED] failed
Notes: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

5/3/2016 4:16:02 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 4:16:01 PM: Attempt to Deliver Ticket Failed
Details: Attempt to deliver Ticket to [REDACTED] failed
Notes: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

5/3/2016 4:15:54 PM: Ticket Queued
Details: Ticket queued for delivery

5/3/2016 4:15:54 PM: Ticket Queued
Details: Ticket queued for delivery

5/3/2016 4:20:12 PM: Attempt to Deliver Ticket Failed
Details: Attempt to deliver Ticket to [REDACTED] failed
Notes: Unable to connect to [REDACTED] The RCPT command failed. The specified account does not exist.

5/3/2016 4:39:54 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 4:39:50 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

Figure 8 – USA Ticket #W612001130 and the Ticket Management History (Continue)

4/29/2016 4:30:47 PM: Put in Folder
Details: Put in Fresno6 Folder by auto process
Notes: Auto Processed per Responsibility Area

4/29/2016 4:30:47 PM: Assigned
Details: Assigned to Fresno 6 - by auto process
Notes: Assigned on folder placement

5/3/2016 2:46:18 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:18 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:18 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:23 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:23 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:24 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:24 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:24 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:24 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

5/3/2016 2:46:25 PM: Ticket Delivered
Details: Ticket successfully sent to [REDACTED]

Figure 8 – USA Ticket #W612001130 and the Ticket Management History (Continue)

5/3/2016 2:46:26 PM: Ticket Delivered Details: Ticket successfully sent to [REDACTED]
5/3/2016 2:46:28 PM: Ticket Delivered Details: Ticket successfully sent to [REDACTED]
5/3/2016 2:46:30 PM: Ticket Delivered Details: Ticket successfully sent to [REDACTED]
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
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5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery

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Figure 8 – USA Ticket #W612001130 and the Ticket Management History (Continue)

5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 2:46:02 PM: Ticket Queued Details: Ticket queued for delivery
5/3/2016 3:46:12 PM: Ticket Delivered Details: Ticket successfully sent to [REDACTED]
5/3/2016 3:46:13 PM: Ticket Delivered Details: Ticket successfully sent to [REDACTED]
5/3/2016 3:46:14 PM: Ticket Delivered Details: Ticket successfully sent to [REDACTED]
5/3/2016 4:36:09 PM: Ticket Queued Details: Ticket queued for delivery

C. PG&E’s Keys to Success Reports Shows PG&E’s Knowledge of its Locate and Mark Issues and Under-reported Late Tickets

PG&E has internal documents labeled “Keys to Success” (Keys reports). Certain Keys reports include statistics of PG&E’s performance in many different areas. The data in the Keys report were compiled by each organization within its Gas Operations and reviewed in monthly meetings that consist of numerous leaders within PG&E.¹⁹⁰ PG&E submitted, as part of its data request response (Index 10707.13), its Keys reports for the period of 2012 to February of 2017. SED conducted reviews of the Keys reports and discovered the following:

¹⁹⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, lines 8-28.

1. PG&E's Internal Auditing Found That PG&E Did Not Report Accurate Locate and Mark On-Time Performance At Least as Early As 2009

Under the “Action(s) to get back to green” column in a table on page 109 in PG&E's July 2012 Keys report, it states:

We are restructuring the “notification of new start time” process, which is still in development phases and has not yet been implemented into the ticket management program. The change is initiated to improve the process and integrity of the company. Currently, PG&E's locators have the ability to call and notify a new start time for a USA ticket with the excavator, which means the 48 hour clock for on-time performance on the USA ticket is reset. However, this option has been utilized without safeguards built into the system to ensure proper contact was made and a new start time was correctly established. We are currently working with IRT solutions to create a customization that will require the locators to collect certain information when utilizing this option. This customization may result in added response time for tickets due to collecting additional information. We plan to roll out and pilot the customization to better understand its effects before implementing onto the entire system. This will help us better understand if it will disrupt the locators' work flow. Based on the results of the pilot, we also need to evaluate the impact on resources and determine if additional M&L resources will be needed in order to avoid an increase in late tickets system wide. In addition, the Damage Prevention process team will evaluate the need to track “negotiate new start time” tickets as a subset of the on time percentage to understand how often we are actually responding to USA tickets within the original 48 hour window...¹⁹¹

The description of this corrective action in PG&E's July 2012 Keys report shows that PG&E was aware of a flaw and potential misuse of its USA ticket management system as early as 2012. SED submitted a data request on October 3, 2017 seeking details about this corrective action. In PG&E's response (PG&E Index 11333.01) to this data request, PG&E provided a letter, originating from PG&E's Internal Auditing addressed to [REDACTED], dated February 10, 2012. This letter highlighted a finding “Mark and Locate Timeliness” from the 2011 PG&E's internal audit of the Gas Damage Prevention program. [REDACTED], was also carbon copied on this letter.¹⁹²

¹⁹¹ See Attachment 44 - July 2012 PG&E Keys report, p. 109.

¹⁹² See Attachment 45 - PG&E Internal Auditing Letter dated February 10, 2012, p. 8.

The finding “Mark and Locate Timeliness”, which was given a “Medium Risk”¹⁹³, states:

In 2009 and 2010, IA and QA noted that recordkeeping processes used to establish the on-time performance of the Utility's mark and locate program had a system glitch, in that the time-clock feature of the software would be halted just by opening the record without performing the work or documenting an agreement with the excavator to postpone the work. As a result, the reports for on-time performance generated using this software showed a 99 percent on-time response for 2010 that cannot be relied upon. Interviews with employees in the damage prevention program confirmed that this deficiency has not yet been corrected. In 2011, IA received information from field employees that work orders ("tickets") for mark and locate services in certain divisions were several weeks behind schedule. Discussions with management confirmed that unexpectedly high demand for mark and locate services coupled with shortages of employees qualified to perform the work had resulted in tickets worked three to four weeks late in these divisions.¹⁹⁴

The description of this finding indicates tickets were recorded as on time if PG&E opened a record before the ticket due time, even if the actual locating and marking work was late. This finding also suggests that if a locator failed to get an excavator's agreement to re-schedule the marking due date, a ticket would still record as on time if PG&E opened it on time.

This also suggests a locator could avoid a ticket from being recorded as late if the locator knew about this system's flaw. This issue was discovered as early as 2009 as shown by the above quoted finding. PG&E was operating and making management decisions for its damage prevention program with these inaccurately high on-time performance percentages since as early as 2009. As also shown by the above quoted finding, in 2010, the on-time performance generated using this software was 99 percent and it was unreliable. Given this inaccurately high on-time performance statistic, PG&E is unable to provide accurate percentages of late tickets from this time. However, there is concern that the statistic masked the performance limitations of PG&E's shortage of qualified locators during this time, as

¹⁹³ PG&E's Internal Auditing uses the categories of low, medium, and high, to classify risks based on the likelihood and significance of the risk resulting in harm to the Utility.

¹⁹⁴ See Attachment 45 - PG&E Internal Auditing Letter dated February 10, 2012, p. 2-3.

indicated by field employees to Internal Auditing.¹⁹⁵ PG&E's Internal Auditing recognized the significance of this issue and stated that:

Failure to complete mark and locate tickets within allowable time limits can delay scheduled construction work and increase the incidence of at-fault dig-ins when excavators commence work without surface markings. In addition, inaccurate recordkeeping of mark and locate timeliness does not allow management to promptly identify, diagnose, and correct potential resource shortages.¹⁹⁶

In late 2012, PG&E created a new response type called "Notification of New Start Time" to replace the old ticket renegotiation response, which was "Respond to an Open Ticket." A safeguard was added with the "Notification of New Start Time" response requiring locator to capture the information necessary for renegotiating a new start time. That information included the name and the phone number of the individual to whom the locator spoke and the method of contact used by the locator, before closing a ticket. As part of a drop down menu, "voicemail" was added as an option to show the method of contact as part of the reconfiguration of the database.

A training document released in December 2012 noted that, "ATTENTION: LEAVING A VOICEMAIL WITH THE EXCAVATOR NO LONGER APPLIES AS A VALID METHOD OF CONTACT FOR NOTIFICATION OF NEW START TIME. (It will still be shown as an available option until IRTN is able to remove it. Please do not use it.)"¹⁹⁷ In addition, [REDACTED], PG&E Locate and Mark Supervisor, wrote the following to other Locate and Mark supervisors, [REDACTED] and [REDACTED] in an email dated June 1, 2016:

This screen shot shows that UtiliSphere allows locators to use a drop-down menu and select "Voicemail" as the "Method of Contact" for negotiating a new start time. This is very misleading because it makes it seem like this is an acceptable response. In all honesty, this is a set-up and I feel that this should be removed from the drop down menu to make sure this doesn't happen to anyone else.¹⁹⁸

Voicemail was recognized to be unacceptable method for negotiating a new start time as shown above in the quoted document and email. However, SED still found that the voicemail option had been inputted on many of the tickets shown in IrthNet during its meeting with

¹⁹⁵ See Attachment 45 - PG&E Internal Auditing Letter dated February 10, 2012, p. 3.

¹⁹⁶ See Attachment 45 - PG&E Internal Auditing Letter dated February 10, 2012, p. 3.

¹⁹⁷ See Attachment 46 - "New Start Time Field & Add Notes" (December 2012), p. 4.

¹⁹⁸ See Attachment 47 - [REDACTED] email on June 1, 2016. SED received this email from PG&E as part of its data request response (PG&E Index 11718).

PG&E's IrthNet administrator on February 17, 2017. During this meeting, SED reminded PG&E that the voicemail option was not appropriate to show that PG&E had mutually agreed with the excavator to reschedule the new excavation start date and time.

Clearly, the training document was ineffective in correcting the system's flaw as shown in SED's case studies in Sections VII.A and VII.B of this report. Some locators continued to enter the "voicemail" option without first agreeing with the excavator to reschedule. This allowed the ticket still falsely to be counted as on-time. According to PG&E, its records indicate that the safeguard customization was tested prior to its implementation, but its records do not indicate subsequent evaluations were conducted after the implementation.¹⁹⁹

2. PG&E Under-Reported Its Locate and Mark Late Tickets in Its Keys Reports and SED Data Request Response

In its data request response (PG&E Index 10707.13), PG&E submitted its Keys reports for the period between 2012 and February of 2017. In many of the Keys reports, SED found that the number of late tickets had been consistently presented in the Locate and Mark metrics.²⁰⁰ The number of late tickets year-to-date in a year was used to compare with the same period in the previous year. Shown in Figure 9 is page 140 of the January 2017 Keys Report that shows a comparison of the number of late tickets in 2015 and 2016. Based on this table in the Keys Report, only 44 late tickets were recorded in 2016 compared to 3,385 in 2015, which equaled to a 99% decrease.²⁰¹ These numbers were inaccurate and unreliable because PG&E undercounted the number of late tickets. Based on the May 2018 Revised PG&E Late Tickets Count in Bates White's Report, the total number of late tickets in 2016 was 30,684 instead of 44. PG&E undercounted the 2016 late tickets on the order of tens of thousands.

These under-counted annual total late tickets amounts were also presented to SED in a PG&E response (PG&E Index 10707.08) as shown in Figure 10. A table with the total number

¹⁹⁹ See Attachment 48 - "Mark and Locate Timeliness" corrective actions, p. 1.

²⁰⁰ The following Keys reports by month and year have the number of late tickets presented: January 2017, November 2016, September 2016, August 2016, June 2016, May 2016, April 2016, March 2016, February 2016, January 2016, November 2015, August 2015, September 2013, August 2013, July 2013, June 2013, May 2013, April 2013, July 2012, June 2012, and May 2012.

²⁰¹ See Attachment 49 - Extracted pages of January 2017 PG&E Keys report, p. 3.

of late tickets broken down by year and PG&E's divisions was provided. The number of late tickets in 2015 and 2016 were the same as presented in the January 2017 Keys Report.²⁰²

On June 6, 2017, PG&E submitted a supplemental response (PG&E Index 10707.08 Supp02) providing additional data on late tickets collected by its Quality Management organization,²⁰³ a group whose function is to perform quality assurance for gas work streams. In this response, PG&E identified more late tickets that they called "field late", which would be USA tickets identified as on-time in IrthNet but should have been late per PG&E procedures.²⁰⁴ A table summarizing the number of tickets reviewed by Quality Management and the number of late tickets found as of May 31, 2017 is shown in Figure 11. These additional late tickets confirmed that the late tickets numbers in the January 2017 Keys Reports and the previous response to SED were undercounted. The QM organization found that some of the tickets should have been counted as late because the use of improper rescheduling method such as leaving a voicemail for the excavator rather than getting their agreement to reschedule.

²⁰² Compare PG&E's "Index 10707-08_2012 – Feb 2017 Total Late – Division.xlsx" (Figure 10) with January 2017 Keys Report, p. 140 (Figure 9).

²⁰³ See Attachment 2 - PG&E's response (Index 10707.08 Supp02), p. 2-3.

²⁰⁴ In its supplemental response (PG&E Index 10707.08 Supp02), PG&E listed the following reasons for why a USA ticket was showing as being responded to on-time in IrthNet, but would be considered late per PG&E procedures:

- "Left message with excavator but no verbal discussion": A message regarding a renegotiated start time was left for the excavator; however, the locator did not speak to them directly about renegotiating a new start time.
- "Did not call to inform excavator": The locator did not contact the excavator to renegotiate the ticket; however, a response was issued that closed the ticket on-time.
- "Inclement weather": The locator was unable to locate and mark facilities due to weather, but failed to renegotiate the ticket with the excavator prior to selecting the "inclement weather" status in IRTHnet.
- "Phased a single address ticket": Phasing a ticket for a large excavator project is acceptable as long as the locator works with the excavator to properly schedule an appropriate locate scope and frequency for the large project; however, locators should not phase a ticket involving a single address as that would not constitute a large project.
- "Did not mark by renegotiated new start time": The status of the ticket showed a notification of new start time, but the locator failed to perform the locate and mark by the new start time.

Figure 9 – Locate and Mark Late Tickets Metric in January 2017 Keys Report**Locate and Mark**

The table below shows YTD December 2016 Locate and Mark tickets worked and late tickets compared to the same period in 2015. Late tickets for all divisions have dramatically decreased. Systemwide, there were 44 late tickets in 2016 compared to 3,385 in 2015 — a decrease of 99%.

**L&M Tickets Worked and Late Tickets
YTD December: 2015 vs. 2016**

Division	Tickets Worked			Late Tickets		
	2015	2016	% Change	2015	2016	% Change
Central Coast	21,743	24,492	13%	59	0	-100%
DeAnza	21,843	25,131	15%	73	3	-96%
Diablo	31,277	31,259	0%	67	8	-88%
East Bay	28,299	34,678	23%	179	9	-95%
Fresno	37,854	39,801	5%	80	0	-100%
Humboldt	12,339	10,339	-16%	706	0	-100%
Kern	42,753	42,255	-1%	285	1	-100%
Los Padres	17,293	20,227	17%	33	1	-97%
Mission	24,271	30,669	26%	20	2	-90%
North Bay	23,779	24,650	4%	85	8	-91%
North Valley	24,420	19,849	-19%	34	0	-100%
Peninsula	27,000	31,909	18%	88	0	-100%
Sacramento	72,572	80,797	11%	35	2	-94%
San Francisco	18,317	22,227	21%	165	5	-97%
Sierra	32,558	31,586	-3%	48	2	-96%
San Jose	32,171	37,530	17%	127	2	-98%
Sonoma	15,331	16,134	5%	221	1	-100%
Stockton	35,018	34,877	0%	595	0	-100%
Yosemite	38,974	38,546	n/a	485	0	-100%
Total	557,812	596,956	7%	3,385	44	-99%

Figure 10 – Locate and Mark Late Tickets Metric for the Period of 2012 to February 2017 (The numbers in this table were later revised)

Late Tickets January 2012 - February 2017 "Index 10707-08_2012 - Feb 2017 Total Late - Division.xlsx"						
Division	2012	2013	2014	2015	2016	2017*
Central Coast	39	73	320	59	0	0
DeAnza	141	262	369	73	3	0
Diablo	196	99	248	67	8	0
East Bay	136	1,118	1,357	179	9	0
Fresno	153	141	122	80	0	0
Humboldt	158	335	695	706	0	0
Kern	684	473	1,275	285	1	0
Los Padres	880	1,750	603	33	1	0
Mission	212	158	240	20	2	1
North Bay	117	303	370	85	8	4
North Valley	178	91	201	34	0	0
Peninsula	258	1,601	481	88	0	0
Sacramento	162	74	82	35	2	1
San Francisco	117	330	878	165	5	1
San Jose	369	2,397	236	48	2	0
Sierra	99	202	1,953	127	2	1
Sonoma	77	94	290	221	1	0
Stockton	325	3,246	1,920	595	0	0
Yosemite	322	800	1,751	485	0	0
Total	4,623	13,547	13,391	3,385	44	8

*Data are late tickets by division for January and February 2017

Figure 11 – PG&E Quality Management Locate and Mark Late Tickets Review for the Period of 2012 to May 2017

Locate and Mark QM Review Total Late Tickets January 1, 2012, to May 31, 2017			
Year	# of Late Tickets Found ¹	# of Tickets Reviewed	Find Rate
2012	96	2,396	4.01%
2013	84	1,319	6.37%
2014	77	1,565	4.92%
2015	30	1,702	1.76%
2016	40	1,984	2.02%
2017 ²	8	563	1.42%

¹These ticket counts include tickets considered late in IRTNet, as well as tickets that were on-time in IRTNet but should have been late per PG&E standards.

²As of 5/31/2017

D. Examination Under Oath of PG&E's [REDACTED]

SED conducted an Examination Under Oath with [REDACTED] on May 19, 2017 in San Francisco. SED asked [REDACTED], "What is your basis for stating that PG&E possibly falsified records related to the damage prevention program?"²⁰⁵ [REDACTED] stated that when he was the [REDACTED] a Locate and Mark supervisor by the name of [REDACTED] moved to [REDACTED].²⁰⁶ [REDACTED] shared his experience with the Locate and Mark group under [REDACTED].²⁰⁷ [REDACTED] remembered, [REDACTED] described it to me, he said, if -- that the instruction from [REDACTED] was if you cannot make your two-day window, you make every effort to renegotiate that start time so we're not in violation of 4216. And he had told me at the time that the -- I don't know if it was instruction or understanding but it was that at the very least, [REDACTED] expected them to make an attempt, leave a voicemail. But following the attempt, they would go into the system and reestablish the new start time. So -- and he shared that with me, because he said, "[REDACTED], that is not legal." You know, the contractor has to agree to a reestablished start time.²⁰⁸

Then [REDACTED] contacted [REDACTED], who was a supervisor [REDACTED] and later became [REDACTED]. [REDACTED] said,

I asked her about this. She confirmed with me that that was their instruction from [REDACTED] to not have late tickets, and do whatever was needed to be done to reestablish that start time. So that was also summer of '14. I had probably had a number of conversations with folks after that, but I distinctly remember in February of 2015, because I was down at the [REDACTED] dig-in, or the [REDACTED] dig-in in February of 2015. And I had time to speak with the locate and mark supervisor for that area, and remember asking him about that issue. He said the same thing, yes, [REDACTED] gave orders to basically renegotiate or reflect a renegotiated start time. So, it was common. Everyone knew it. It wasn't a secret that the expectation was these folks reflect whatever they had to do as long as it wasn't reflecting as late. So that is the genesis of how this issue came up.²⁰⁹

²⁰⁵ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 19, lines 12-14.

²⁰⁶ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 20, lines 4-13.

²⁰⁷ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 20, lines 13-21.

²⁰⁸ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 20, lines 23-28 and p. 21, lines 1-11.

²⁰⁹ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 21, lines 18-28 and p. 22, lines 1-11.

[REDACTED] continued and said,

I know on multiple occasions we went to -- [REDACTED] [REDACTED]
[REDACTED], who at the time was a [REDACTED]. And my relationship with [REDACTED]
[REDACTED] was [REDACTED] [REDACTED]

He was well aware of what was going on. He had indicated to me that he had carried that message to [REDACTED], who was [REDACTED] and had direct supervision over [REDACTED]. He also indicated to me he took that message to [REDACTED], who was [REDACTED]. You know, from that point forward, again, it just came up multiple times. I recall walking into [REDACTED] office one time with [REDACTED] and addressing this same issue. It was an issue that was brought up multiple times. Again, to this day, I'm not aware that it has ever been -- there has ever been a remedy put in place.²¹⁰

According to [REDACTED] and his conversations with others, it was not a secret that [REDACTED] expected [REDACTED] locators to “reflect whatever they had to do on a ticket as long as it was not reflecting as late.”²¹¹ [REDACTED] said he had multiple conversations with [REDACTED], who was the process owner for damage prevention, about the “issue” as described by him in his statements above.²¹²

For clarification of his statements, SED asked [REDACTED], “And that the instructions included making every effort to renegotiate the start time, right? Is that right?”²¹³ [REDACTED] replied, “To reflect that renegotiated start time had occurred.”²¹⁴ Then SED asked, “And related to your point about reflecting it but not necessarily, you are actually

²¹⁰ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 22, lines 13-28 and p. 23, lines 1-19.

211 See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 22, lines 8-10.

²¹² See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 23, lines 2-111.

²¹³ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, lines 3-5.

214 See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, lines 6-7.

renegotiating it. Just a clarification what that means. So do you want to elaborate what that means?"²¹⁵ [REDACTED] said,

Sure. I want -- yes, making every effort means if you can't contact the excavator, you continue to attempt to contact the excavator to get concurrence, get his agreement to renegotiate that start time. The instructions that I had been told by others was make a phone call, leave a voicemail and then change the time. So they weren't making every effort, but they made an effort, just not a sufficient one.²¹⁶

According to [REDACTED] statement, there were instructions that he was told by other to "make a phone call, leave a voicemail and then change the time."²¹⁷ SED asked [REDACTED], "Okay. And just for the record to be sure I understand, if PG&E was not able to contact an excavator in order to renegotiate the start time, what would the instructions to not have any late tickets have meant?"²¹⁸ [REDACTED] said,

Falsify. They would just go in and -- that is exact -- you know, your question is exactly what the problem was. Was they would say, okay, well, I have a phone number. I called. I left a message. I've renegotiated. And I'm going to take that leaving the voicemail on the cell phone was sufficient for renegotiation. So I've met my obligation. That was the way that was interpreted.²¹⁹

E. Examination Under Oath of [REDACTED]

SED conducted an Examination Under Oath with [REDACTED] on March 2, 2018 in San Francisco. [REDACTED] joined PG&E [REDACTED] [REDACTED].²²⁰

SED asked [REDACTED], "If there are any other safety-related consequences that you see could result from a changed late ticket count?"²²¹ He asked, "A changed late ticket

²¹⁵ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, lines 8-12.

²¹⁶ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, lines 13-22.

²¹⁷ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, lines 19-20.

²¹⁸ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, lines 23-27.

²¹⁹ See Attachment 32 - Examination Under Oath transcript of [REDACTED], p. 24, line 28 and p. 25, lines 1-9.

²²⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 9, lines 9-16.

²²¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 102, lines 10-13.

count?”²²² SED said, “Like the one that we discussed this morning from-”²²³ There was a discussion about changes of PG&E’s late tickets counts related to Exhibit 3 in [REDACTED]

[REDACTED] Examination Under Oath.²²⁴ Then [REDACTED] said, “Yeah. So, as I said, that’s a historical number. So there’s no safety consequence associated with a changed late ticket count. Because the actual number of damages that occurred over that period of time are the actual number of damages.”²²⁵ Then SED asked,

What about -- I hear you. So I want to run a couple questions related to safety consequences and ask you if, in fact, you would view these as particular concerns. So I’m going to enumerate them and ask you if you would see these as a particular concern. The first one would be, would a concern of a realtime undercounting of late tickets be that you have not -- PG&E has not correctly identified the number of times in which it is not following the locate and mark requirements?²²⁶

[REDACTED] replied, “Yes, that’s pretty obvious; right?”²²⁷ Then SED said, “Question for you. I don’t -- I mean, is that a ‘Yes’? I don’t know what the answer is. I’m asking you genuinely. I’m not going to assume it’s obvious. It’s a question directed at you, sir.”²²⁸ He replied, “Yes.”²²⁹ Then SED asked, “And would you agree that the locate and mark requirement is a safety requirement?”²³⁰ He replied, “Yes.”²³¹ According to [REDACTED]

[REDACTED] responses above, a concern of a real-time undercounting of late tickets would be that PG&E has not correctly identified the number of times in which it is not following the locate and mark requirement, which he agreed to be a safety requirement.

²²² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 102, line 14.

²²³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 102, lines 15-16.

²²⁴ See Attachment 50 - PG&E’s response (Index 11718), p. 1-2.

²²⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 102, lines 17-22.

²²⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 102, lines 23-28 and p. 103, lines 1-6.

²²⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 103, line 7.

²²⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 103, lines 8-12.

²²⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 103, line 13.

²³⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 103, lines 14-16.

²³¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 103, line 17.

SED asked [REDACTED], “Why – well, why do you have late tickets counted if it has -- if the number of damages have nothing to do with late tickets, why are late tickets important to count?”²³² He replied,

Late tickets are important because you want to -- we know that one of the important layers of defense is to properly locate and mark the facilities before the excavator is going to do their excavation; right? So that's very important to us. But what I'm sharing with you is the actual number of damages resulting from late tickets is a very small percentage of the total damages. And so from a risk standpoint, that's not my biggest exposure to risk. I would like to get it to zero, that's certainly the goal and the objective. And that's what we thought we were doing. That's why we added staff. That's why we improved training. That's why we developed more training manuals and all of that sort of thing. But the -- whether -I'm more concerned that we've provided inaccurate information, in that the leadership team had inaccurate information to assess the effectiveness of this layer of defense.²³³

According to [REDACTED] statements above, late tickets are important because one of the important layers of defense for damage is to properly locate and mark the facilities before excavation. However, he also stated that the actual number of damages resulting from late ticket is a very small percentage of the total damages and it is not his biggest exposure to risk. SED notes that PG&E provided a data request response (PG&E Index 11836.10 (a) Supp01), along with the PG&E letter to SED Director, after this Examination Under Oath indicating that Bates White identified 195 dig-ins associated with tickets (between 2012 and February 2017) that were found to be late using Bates White's methodology. PG&E claimed that late response could be ruled out as a cause for 164 of the dig-ins, and there were 31 dig-ins on which a late response by PG&E may have contributed to, or there is insufficient evidence to determine whether the late response contributed to, the incident.²³⁴ [REDACTED] provided his response related to damages due to late tickets prior to this information was provided to SED on May 2, 2018, and his response could have been based on a different damages number.

²³² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 29, lines 10-13.

²³³ See Attachment 13. Examination Under Oath transcript of [REDACTED], p. 29, lines 14-28, and p. 30, lines 1-8.

²³⁴ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 54.

SED asked [REDACTED], "The ticket is generated. What is PG&E's responsibility to that?"²³⁵ He replied, "It's responsible to locate and mark the facilities within the required period of time."²³⁶ Then SED asked, "And [REDACTED], if they don't mark in the correct amount of time, do you expect the excavator not to begin work?"²³⁷ He replied, "I think the excavator might assume that there are no facilities in the area and start excavation."²³⁸ According to [REDACTED] statement above, if PG&E do not mark in the correct amount of time, he thinks the excavator might assume that there are no facilities in the area and start excavation. Then SED asked,

And if I understand the logic and the, you know, at least as it relates to historical late tickets and incidents, the best path would be if you have to have a late ticket, is there a late ticket the excavator does not start work, PG&E eventually shows up, locates and marks and then the work begins?²³⁹

He replied, "Yes."²⁴⁰ Then SED asked, "Would you be concerned if the sequence sometimes happens that the ticket is called in, PG&E doesn't show up on time, they don't show up at all, and then the work begins, the excavation work?"²⁴¹ He asked, "So, the excavation work begins before the facilities are marked out?"²⁴² Then SED said,

Yes. After either the 48 or the mutually-agreed upon time, let's say PG&E –let me start again. So Step 1, ticket's called in, PG&E is late. They don't show up to mark at their time or agreed-upon time and then in this situation I'm describing this hypothetical, they don't show up at all and the excavator begins digging. Are you concerned about that scenario?²⁴³

He replied, "That's why you're concerned about late tickets. That's the reason why you're concerned about not performing the work on time, yes. So that layer of protection would

²³⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 32, lines 17-18.

²³⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 32, lines 19-21.

²³⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 32, lines 22-24.

²³⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 32, lines 25-27.

²³⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 32, line 28, and p.33, lines 1-7.

²⁴⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 33, line 8.

²⁴¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 33, line 9-13.

²⁴² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 33, lines 14-15.

²⁴³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 33, lines 16-25.

be weakened.”²⁴⁴ According to [REDACTED] responses above, the concern of late tickets is excavator begins digging without PG&E performing the work, and so the layer of protection would be weakened.

SED asked [REDACTED], “Would you expect that PG&E as the excavator, when it's in the role of doing excavation, would you expect that if the locators and markers are late, would you expect that PG&E would wait under all circumstances until the facility was located and marked properly?”²⁴⁵ He replied, “I definitely know that that happens for sure. I can't say that it might happen 100 percent of the time, but certainly that's the objective.”²⁴⁶ Then SED asked, “Okay. With that lens in mind, because I think -- what I'm wondering if that gives you an understanding of the perspective of the excavator?”²⁴⁷ [REDACTED] replied, “You're asking me to read the mind of an excavator and we have thousands of excavators, so it's hard for me to answer your hypothetical.”²⁴⁸ Then SED said, “Point noted. I'm not asking you to read the mind of any one excavator. That is not where I'm trying to go, but let's say that you were in the shoes of an excavator. Generally-speaking, a reasonable one who is saying -- and let's say there's, you know, and let's say there's cost of waiting.”²⁴⁹ He replied, “Of course there is.”²⁵⁰ According to [REDACTED] response, he agreed that there is a cost on excavator of waiting for PG&E to locate and mark its facilities. SED notes that PG&E stated, in its “Locate, Mark, & Standby Late Ticket Workarounds – Workout” document dated July 19, 2016, “Excavators get frustrated with delays and dig after 48 hours.”²⁵¹ In addition, SED found that [REDACTED] PG&E Field Engineer, wrote on October 4, 2016,

²⁴⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 33, lines 26-28, and p. 34, lines 1-2.

²⁴⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 38, lines 17-23.

²⁴⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 38, lines 24-27.

²⁴⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 38, line 28, and p. 39, lines 1-3.

²⁴⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 39, lines 4-7.

²⁴⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 39, lines 8-14.

²⁵⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 39, line 15.

²⁵¹ See Attachment 42 - “Locate, Mark, & Standby Late Ticket Workarounds – Workout” document dated July 19, 2016, p. 8. A copy of this document was submitted by PG&E as part of its data request response (PG&E Index 11718).

Locate and Mark department systemwide is severely understaffed. Every project GC constructs is not marked in a timely matter and often not marked until a remark call and follow up is requested. This greatly increases cost and risk for safety, this had been an ongoing problem that has consistently become worse. This needs to be addressed immediately as it poses a safety concern and halts production. Bottom line is contractors projects should not take priority over internal projects, we need our projects marked at a minimum of 48 hours from call in. ²⁵²

According to the quoted section above written by a PG&E Field Engineer, PG&E's Locate and Mark department is severely understaffed, and PG&E's internal Gas Construction projects not being marked timely greatly increase cost and risk for safety.

Continuing with questions related to excavators digging before marking, SED asked [REDACTED] "Do you think there would be on their part a decision point at which they think it's worth the risk to go ahead and excavate?"²⁵³ He replied, "You have to ask them."²⁵⁴ Then SED asked, "Do you think it would be for any of them?"²⁵⁵ He replied, "You'd have to weigh the cost of potentially causing an horrific accident, right?"²⁵⁶ Then SED said, "Absolutely."²⁵⁷ He replied,

So, I don't know how contractors would weigh that. I can tell you that there are contractors out there that never call 811; that they go out and they dig and they know there's facilities there and they cause damage, and they're happy to pay the bill when they get the damage bill. And they don't care about the safety of their people. Then there are contractors out there that wouldn't dig until the facility is located and marked no matter what the cost is because they wouldn't put the public or their employees in that situation. So those are the two ends of the spectrum and contractors are everywhere in between, everywhere in between.²⁵⁸

According to [REDACTED] statement above, there are some contractors who dig without ever calling 811 first, and other contractors who would not dig until the facility is located and marked no matter what the cost is.

²⁵² See Attachment 43 - [REDACTED] email - October 2016, p. 2. A copy of this email was submitted by PG&E as part of its data request response (PG&E Index 11718).

²⁵³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 40, lines 2-5.

²⁵⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 40, line 6.

²⁵⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 40, lines 7-8.

²⁵⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 40, lines 9-11.

²⁵⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 40, line 12.

²⁵⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 40, lines 13-28.

SED provided [REDACTED] a copy of an email concerning a PG&E dig-in.²⁵⁹

Related to the dig-in, SED asked,

Well, the question was focused specifically on this dig. So, maybe if I could just ask you: Do you see other -- do you have a concern that there are other, given this circumstance, do you have a concern that there are other circumstances like this one on PG&E's system?²⁶⁰

[REDACTED] replied, "I've asked for a report on the amount of damages that occurred because of late tickets and I have yet to be provided with that information."²⁶¹ Then SED asked, "When did you ask for that?"²⁶² He replied, "Three months ago."²⁶³ Then SED asked, "Are you surprised you haven't received the update on the information yet?"²⁶⁴ He replied, "We hired -- I don't know the name of the firm. We hired a third-party firm to investigate this whole matter when it was brought to our attention and I'm waiting for that report."²⁶⁵ Then SED asked, "How was the matter brought to your attention?"²⁶⁶ He replied,

I first learned about the issue when I was part of a meeting with the American Gas Association Peer-to-Peer Group which also we created. We created the Peer-to-Peer forum within the American Gas Association when they did a readout in San Bruno, I mean San Ramon, at our Gas headquarters, where the Peer Review Team told us that they had learned that there were issues with late tickets that weren't being reported.²⁶⁷

According to [REDACTED] responses above, he asked for a report on the amount of damages that occurred because of late tickets, and he learned that there were issues with late tickets that were not being reported when he was part of a meeting with the American Gas Association Peer-to-Peer Group.²⁶⁸ His statements confirmed that he was answering questions

²⁵⁹ See Attachment 51 - [REDACTED] email – March 4, 2016.

²⁶⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, lines 4-11.

²⁶¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, lines 12-15.

²⁶² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, line 16.

²⁶³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, line 17.

²⁶⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, lines 18-19.

²⁶⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, lines 20-24.

²⁶⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, lines 25-26.

²⁶⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 50, lines 27-28, and p. 51, lines 1-9.

²⁶⁸ According to the American Gas Association's web page (July 30, 2018), American Gas Association Peer Review Program is a voluntary peer-to-peer safety and operational practices review program that

in this Examination Under Oath based on his prior information on damages related to late tickets.

Related to Exhibit 4 and the dig-in²⁶⁹, SED asked [REDACTED], "Okay. Would you expect to be informed of incidents like this one from your staff?"²⁷⁰ He replied, "No."²⁷¹ Then SED asked, "Would you expect to be informed as PG&E's [REDACTED] of incidents in the aggregate like this one?"²⁷² He replied, "Yes."²⁷³ Then SED asked, "Okay. And how often?"²⁷⁴ He replied,

So I review -- my review relates to a high level of goals and objectives, damages per a thousand tickets, and all of the reasons associated of why damages per a thousand tickets are where they are, and to identify all of the actions that we're going to try to take to reduce those damages per thousand tickets. So all the of the things that we do -- and that's what I focus on my level. So damages were 4.5 when we started, they're 1.8 now. What are all those things we're doing company-wide to drive down those areas? So you might imagine, I'm going to invest my time where there's the highest amount of risk. So when you look at damages, where is the highest amount of the risk? Contractors that don't call into 811. Because when that happens, that's where you see the biggest amount of damages. But we have actions on a whole number of fronts.²⁷⁵

Continuing on the topic of dig-in, SED asked [REDACTED], "But in terms of dig-ins, if -- do you think that there is a chance that if you reduce the number of late tickets, that you could reduce the existing number of dig-ins?"²⁷⁶ He replied, "Yes. And that's why we've been trying to reduce the number of late tickets."²⁷⁷ According to [REDACTED] statements

will allow local natural gas utilities throughout the nation to observe their peers, share leading practices and identify opportunities to better serve customers and communities.

²⁶⁹ See Attachment 51 - [REDACTED] email – March 4, 2016. Subject line of this email is "RE: BULLET POINTS FOR FAIRFIELD DIG IN".

²⁷⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 63, lines 5-7.

²⁷¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 63, line 8.

²⁷² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 63, lines 9-11.

²⁷³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 63, line 12.

²⁷⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 63, line 13.

²⁷⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 63, line 14-28, and p. 64, lines 1-6.

²⁷⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 66, lines 3-7.

²⁷⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 66, lines 8-9.

above, his focus on his level is to reduce the damages per thousand tickets. Also, he agreed that there is a chance if PG&E reduce the number of late tickets, PG&E could reduce the existing number of dig-ins.

SED asked, “And, [REDACTED], do you feel that current staffing levels are sufficient to drive late tickets to zero, to meet the goal?”²⁷⁸ He replied,

I'm not convinced of that. What I would hope we would do is use the ability to call the contractor or call the person that calls the 811 to negotiate an acceptable alternative time. That would be the first step that we would like to take. In a lot of cases, that's what happens. Contractors put a ticket in. They don't need it done within 48 hours. There's very few circumstances when a contractor waits until two days before and expects it to be done. So the overwhelming majority of time contractors don't need it within that period of time. That's the self-imposed period of time. But in many cases, contractors call in jobs that are really long in nature. They go from Mile Post 5 to Mile Post 10. They're not going to dig all the way along. They don't need that marked out all that period of time. So just because it doesn't happen within 48 hours doesn't mean that it's ineffective. ²⁷⁹

According to [REDACTED] statement above, he was not convinced that PG&E current staffing levels are sufficient to drive late ticket to zero. SED notes that there was an expectation to have zero late tickets under [REDACTED] leadership of the Locate and Mark department.²⁸⁰ [REDACTED] also stated that above, in a lot of cases, contractors put a ticket in and they do not need it done within 48 hours. ²⁸¹ SED also notes that a PG&E Field Engineer wrote to PG&E's Locate and Mark department stated that “we need our projects marked at a minimum of 48 hours from call in.”²⁸²

Then SED asked, “And, [REDACTED], just in terms of planning the appropriate level of staff, irrespective of the economy and the highs and lows of the tickets, do you have a gauge of current staffing levels and what it's going to take to drive these late tickets to zero?”²⁸³ He replied,

²⁷⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 87, lines 10-13.

²⁷⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 87, lines 14-28, and p. 88, lines 1-7.

²⁸⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, lines 14-20.

²⁸¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 87, lines 19-22.

²⁸² See Attachment 43 - [REDACTED] email - October 2016, p. 2.

²⁸³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 88, lines 8-14.

Yeah. So, again, it's what we mean by late ticket. Is a late ticket 24 hours? Or is a late ticket the time by which the contractor needs the work done? So that's the important issue. [REDACTED] has a Strategic Action Review. He's the responsible office over this area. He created a Strategic Action Review. We have a cross-functional team working to focus on the late ticket issue, in particular. And so he's implementing corrective actions to address the late ticket issue, including increased staffing, whether it be internally or with contractors.²⁸⁴

He added,

Yeah. We have a business plan review process, all part of our governance. And so we have a high-level BPR review meeting, Business Plan Review meeting. And when the metrics that we track appear to be going off course and the person who's responsible for that area feels that they –that they are behind in such a way that they are finding it difficult to get back to green, what we do is we create a SAR, an S-A-R, and bring the appropriate people from the appropriate areas to come in and try to address and resolve that issue. It's extreme focus. Sometimes meetings are twice a week or weekly with the appropriate people. And it's to identify corrective actions and track the effectiveness of those corrective actions. And we use, sort of, the plan-do check act model in that process. So we're trying to implement things and trying to see if they are work. So I'm very aware that [REDACTED] has a SAR underway on this issue. And I think he launched after we became aware of the underreporting of the late tickets. And that's been underway since. So we've been working really hard to drive that issue down.²⁸⁵

According to [REDACTED] statements above, PG&E is addressing the late ticket issue. Then SED asked, “[REDACTED], do you have any information as to the cause of the underreporting of late tickets?”²⁸⁶ He replied,

I don't. Because I've been asked by our internal teams of being aware that you all had a report that we had late tickets and you were initiating an investigation, and that it would be more appropriate for me to make sure that I didn't interfere or be involved with what was going on until the investigation was complete. We hired an outside firm to come in and take a look. I want to look forward to getting that report so that I can understand the root cause and begin to take action. So I'm comfortable that we have a SAR underway, that the appropriate people are working on that SAR, but that's the level that I'm at.²⁸⁷

²⁸⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 88, lines 15-28.

²⁸⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 89, lines 2-28, and p. 90, line 1.

²⁸⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 90, lines 2-4.

²⁸⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 90, lines 5-19.

According to [REDACTED] statements above, he did not have information as to the cause of the under-reporting of late tickets.

SED asked [REDACTED], "I wanted to follow up -- you -- I think you mentioned that you're not convinced staffing is adequate to drive late tickets to zero is what I heard you say. Did I capture that right?"²⁸⁸ He replied,

Yeah. So we're seeing an increase. So we're very concerned about staffing levels. And, so, that's a constant challenge, you know. I could not advertise 811, decrease the number of calls, and improve my late ticket response. But, to me, that's not the way to go about solving this problem. To me, we should aggressively communicate the importance of 811, aggressively train 811, get as many as we can, and try to staff up and meet that requirement.²⁸⁹

Then SED asked, "Okay. What are the indicators that you would use to inform an adequate staffing level to drive late tickets to zero?"²⁹⁰ [REDACTED] replied, "The number of late tickets."²⁹¹ Then SED asked, "Okay. So if there was an undercount in the number of late tickets, in your mind, could that result from erroneous staffing levels?"²⁹² He replied,

It could. It could. But we had late tickets, so clearly we're trying to catch up with staffing levels based on the number of late tickets; whether it was 13,000 late tickets, 20,000 late tickets, 25,000 late tickets, it really doesn't matter; right? We're trying to catch up, we're bringing in the resources that we need to try to augment that staff. And, as I said, there's no LinkedIn account where you go out and magically make these people appear.²⁹³

According to [REDACTED] statements above, the number of late tickets is an indicator that he would use to inform an adequate staffing level to drive late tickets to zero. According to the PG&E letter to SED Director dated May 2, 2018, it appears that PG&E confirmed that there was a concern on accurately reporting of late tickets as PG&E was implementing corrective actions as stated in the letter, "In addition to the Guidepost and Bates White efforts to understand the causes and extent of late ticket under-reporting, PG&E has

²⁸⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 98, lines 4-8.

²⁸⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 98, lines 9-20.

²⁹⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 98, lines 21-23.

²⁹¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 98, line 24.

²⁹² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 98, lines 25-28.

²⁹³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 99, lines 1-11.

implemented operational corrective actions to foster accurate reporting of any late responses to USA tickets going forward.”²⁹⁴

SED asked [REDACTED], “To your knowledge, including any of its employees or contractors, falsely noted that a ticket was not late when, in fact, it was?”²⁹⁵ He asked, “Can you ask the question again?”²⁹⁶ SED asked again, “Sure. To your knowledge, has any of PG&E's employees or contractors, its personnel generally, said or recorded a ticket as not late when, in fact, it was?”²⁹⁷ He replied, “That's what we've asked the independent review to verify for us and to take a look at.”²⁹⁸ Then SED asked, “Okay. Do you have any preliminary information that would enable you to answer the question at this time?”²⁹⁹ He replied, “No.”³⁰⁰ Then SED asked, “To your knowledge, have any PG&E locate and mark tickets had their due dates rescheduled without mutual agreement from the excavator?”³⁰¹

So I shared with you when I first came here -- I think I didn't share with you that, but we learned when we had the AGA peer-to-peer review that there was reporting or misreporting of that item. So that's when I became aware of that recently. When I first came here, the practice of PG&E had been to use a passive reporting system. And we made it clear that that was unacceptable, that the requirement was to have positive confirmation. And so it wasn't until the AGA meeting that I first became aware that that risk might actually be happening. And that's when [REDACTED] created the SAR to begin to focus and work on that.³⁰²

Then SED asked, “Okay. I appreciate the extra context. Thank you. And passive reporting in this case, when you said that, what would that mean?”³⁰³ He replied, “That would be like the locator calling the person that called in for the ticket and leaving a message.”³⁰⁴

²⁹⁴ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 2.

²⁹⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, lines 3-6.

²⁹⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, line 7.

²⁹⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, lines 8-11.

²⁹⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, lines 12-14.

²⁹⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, lines 15-17.

³⁰⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, line 18.

³⁰¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, lines 20-23.

³⁰² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 106, lines 24-28, and p. 107, lines 1-10.

³⁰³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, lines 11-14.

³⁰⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, lines 15-17.

According to [REDACTED] statements above, when he first joined the company, PG&E used a “passive reporting” system, which would be locator leaving a message to the person who requested the ticket. SED notes that [REDACTED] joined PG&E in [REDACTED].³⁰⁵ His statements confirmed that there were communications made by locators with excavators using voice message prior to [REDACTED]. He knew this practice, made it clear that this practice was unacceptable, and yet SED found tickets, between 2014 and 2016, with their due dates changed after locators leaving voice messages to the excavator as discussed in section VII.B of this report.

Then SED asked [REDACTED], “To your knowledge, and let me just understand, when you joined, it sounds like your instruction was to change practice so that that would no longer occur in the company. Am I following?”³⁰⁶ He replied, “That’s correct.”³⁰⁷ Then SED asked, “And after you joined, did you learn of instances where it still happened?”³⁰⁸ He asked, “The misreporting?”³⁰⁹ SED said, “Yes.”³¹⁰ Then he said, “Not until the meeting with the AGA Team.”³¹¹ SED asked, “To your knowledge, was anyone at PG&E at risk of losing their job or suffering punishment from PG&E for not rescheduling due dates on Locate and Mark tickets without mutual agreement from the excavator?”³¹² [REDACTED] asked, “Were they at risk of losing their jobs for what?”³¹³ SED said,

Let me state it positively. I will try to restate it. I appreciate the clarification. If they didn't -- if a locator didn't locate and mark -- if they rescheduled -- if a locator rescheduled without first getting mutual agreement, was anyone -- were any employees pressured on consequence of losing their job or suffering punishment from PG&E to do that practice, to your knowledge?”³¹⁴

³⁰⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 8, lines 24-25.

³⁰⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, lines 19-23.

³⁰⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, line 24.

³⁰⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, lines 25-26.

³⁰⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, line 27.

³¹⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 107, line 28.

³¹¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 108, lines 1-2.

³¹² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 108, lines 10-15.

³¹³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 108, lines 16-17.

³¹⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 108, lines 18-28.

Then [REDACTED] said, "I'm still not clear on the question."³¹⁵ Then SED said, "I will try and restate."³¹⁶ He said, "Yeah. I'm sorry about that. Are you asking were they pressured to report that they--"³¹⁷ Then SED said, "No. No. I'm asking if they were pressured to reschedule without first getting mutual agreement from the excavator?"³¹⁸ [REDACTED] replied, "No. I would say completely the opposite. That we created across the entire company a speak-up culture that really encouraged compliance with all the requirements and that if you couldn't be in compliance, you should put that on the table and identify that issue."³¹⁹ He added,

So, if you go back to the creation of the Keys to Success meeting, we were very clear communication around that particular issue. [REDACTED] was in almost every one of those Keys to Success meetings once he joined our team. It was hardly a meeting that went by that I didn't say, because we had so many problems we were dealing with, we had all the problems on the Gas Transmission Network, all the problem on the Distribution Networks, things that the SED had no idea about that was going on, things like our rights-of-way that was completely abandoned for a 25-year period of time, we were dealing with all kinds of things, and I made it crystal clear at every single meeting that if you're having a problem meeting some requirements, bring it in the room. This is the place -- this is the safe place to do it. If you hide it, then you've got a problem, but bring it here and it's our collective problem and we're going to solve it. ³²⁰

He continued,

And there's example, upon example, upon example that we changed that whole culture. Because the culture that was here prior to me coming to this company was a hide-it culture and don't-tell-anybody culture. And the culture that is there now is a speak-up and tell people that are wrong culture. And I can tell you that independently because I hired [REDACTED] and his team that have come in here every five weeks for five to six years and they have unfettered access to everyone in the company, including the union and the community leadership. And they tell me that the speak-up culture here is unlike anything they've seen. Lloyd's Register, there's been the 45 companies across the

³¹⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 109, lines 1-2.

³¹⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 109, line 3.

³¹⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 109, lines 4-7.

³¹⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 109, lines 7-9.

³¹⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 109, lines 10-16.

³²⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 109, lines 18-28, and p. 110, lines 1-11.

world, tell us that we have the best culture with our workforce here than any company that they visited all across the world. ³²¹

He continued,

Now, does that mean every place and every pocket? But I can tell you unequivocally, unequivocally, that when people would identify problems and say, we are not compliant, we are not issued, they were celebrated. Celebrated. In December of '11, we had a mapper identified 17 plat maps that we didn't do leak survey on. We self-reported that and we got a \$16.8 million fine. And I issued an e-mail that -- to all employees after that \$16.8 million fine came out and said this is exactly the behavior that we want. And I don't care if we are fined 17 million or 170 million, I want you to tell us what's going on, because I can't fix what we don't know about. So there is absolutely no way that people should have felt pressured to misreport information because when they needed resources, they got them. So, if we have pockets or issues, I think that they're isolated issues and we have got to get to the bottom of that. We have got to understand that. But overall culturally across Gas Operations in the company, that is universally the case. I urge you to go out and see what goes on. I urge you to talk to [REDACTED] and Associates. I urge you to talk to Lloyd's Register who have been here month after month after month for years to see the complete transformation of the culture. ³²²

He continued,

So, I'm very passionate about this because I brought to this -- we brought -- we have it in our safety rules nonpunitive self-reporting -- nonpunitive self-reporting. If you self-identify issues, you will not suffer any consequences. It used to be at PG&E that you got positive discipline. Do you know what that is? Positive discipline? You do something wrong, you get a letter to your file, you get suspended or terminated. I didn't even know what the term meant. We completely changed that and right in our safety rules we have that. We are all about nonpunitive self-reporting. We took that right from the airline industry and we imbedded that into our program. That was communicated to every leader in the company, including crew leaders of union crews were all trained on that. The number of -- the number of suspensions and terminations drastically dropped across the company. So that thing about fear and retribution, completely, completely changed from where it was. I'm not saying that you can't change. It's really hard to change culture. It's hard to change everybody's sort of mindset and beliefs. You get mindset gravity that sets in, but I'm extraordinarily passionate about this because we have really worked hard to change all that. ³²³

³²¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 110, lines 12-28, and p. 111, lines 1-4.

³²² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 111, lines 4-28 and 112, lines 1-8.

³²³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 112, lines 9-28 and 113, lines 1-11.

He continued,

I'm sorry I went on, but it's really been my core as a leader of this company to change all of that. And that's why I invite independent third parties to go out and assess and advise, because you can be blinded. And that's why we created the AGA Peer-to-Peer Program. We went to AGA and said, "INPO, the nuclear industry, has this Peer Review Program. We need to create this." And we got tremendous resistance because the lawyers of all the companies didn't want to create the program. But we got it started. And we were the leading company. And we benefit greatly from it and it identified this problem. It was just a great example of why you need to do that. So we encourage that. We encourage that self-reporting of problems.³²⁴

According to [REDACTED] statements above, PG&E created a "speak-up" culture that encouraged compliance with all the requirements and self-reporting of problems. However, as stated in the Guidepost Report, "it was common knowledge among supervisors that locators entered false notes in the IRTnet database to avoid 'going late'"³²⁵ and this statement was made under the section concerning the period between 2013 and 2017. Yet, it did not appear that [REDACTED] had knowledge about PG&E employees or contractors falsely recorded a ticket as not late when it was, in fact, late.

SED asked [REDACTED], "Is any employee at PG&E evaluated on the late ticket metric?"³²⁶ He replied, "Nobody that I know of at my level down through the organization, so I don't know if late tickets are a metric that are used lower down in the organization."³²⁷ Then SED said, "As it relates --"³²⁸ He said, "As a performance measuring metric."³²⁹ SED said, "And as it relates to performance -- individual performance evaluations --"³³⁰ He said,

³²⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 113, lines 12-28 and p. 114, lines 1-2.

³²⁵ See Attachment 3 - Guidepost Report, p. 33.

³²⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 123, lines 19-20.

³²⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 123, lines 21-24.

³²⁸ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 123, line 25.

³²⁹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 123, line 26.

³³⁰ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 123, lines 27-28.

“Yeah.”³³¹ Then SED asked, “-- to your knowledge, late tickets is not one of those metrics?”³³² He replied,

I want to be very clear. So, in the team that reports to me, I don't use that as a metric. We don't use that as a metric within which we pay our incentive comp, for example. So, that's not a metric. We use damages per a thousand tickets. So, if people are paid through the Incentive Compensation Program, the target is set on damages per thousand tickets. So, the incentive, if you believe that late tickets increase the probability of a damage, the incentive that we pay people on is not to have late tickets. Because we're looking to have the lowest possible damages per a thousand. So, we're encouraging people to perform correctly against late tickets, but at some level down in the organization, they may use that metric on an individual scorecard. But our bargaining unit people don't go through the same performance appraisal process. So the people that actually do the locate and mark, they don't have that type of score card. They're not on a -- they don't get performance appraisals.] They are all part of the bargaining unit.³³³

Then SED asked, “And, [REDACTED], how about the manager of that unit? For instance, is the manager of locate and mark, are they either, you know, incentivized by getting a bonus for not having late tickets? Or penalized for having late tickets?”³³⁴ He replied, “No bonuses associated with that. The only bonus associated with damages is damages per a thousand tickets. That might be in their performance score card to evaluate your performance, but it doesn't effect your bonus at all.”³³⁵ Then SED asked, “And final question, [REDACTED], the CAP program, Corrective Action Program, do you know if late tickets were brought as a concern to CAP?”³³⁶ He replied,

I don't know if it was. You know, I review a lot of that. I sit in on a lot of the notification review teams. You know, I hadn't heard that as an issue in CAP. Certainly was aware of the challenges that we were having with late tickets. So you may have heard about the daily call. So one of the best practices I brought to the company, I actually stole shamelessly from Alaska Air, I was encouraged by [REDACTED], to go to Alaska Air. Because about 10 years ago, they had terrible plane crash where the jack screw failed and the plane crashed into the Pacific Ocean. They were perceived as a company that really

³³¹ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 124, line 1.

³³² See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 124, line 2-3.

³³³ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 124, lines 4-28.

³³⁴ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 125, lines 1-6.

³³⁵ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 125, lines 7-12.

³³⁶ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 125, lines 13-16.

improved their safety culture and safety practices. And I got to witness their daily call where they have stations from all over North America participate. So we came back and built that daily call. So every day, it's been going on for a number of years, from 7:30 to 8:00 o'clock every morning, about 300 leaders in the gas business go over the performance. You can dial in and listen. And damages are an agenda item on that call. And late tickets are an item on that call. You know, how many late tickets did we have? What are we doing about it? Do you need help? How do you fix it? So that's where that was, sort of, reported.³³⁷

According to [REDACTED] statements above, he did not use late ticket as a performance metric and PG&E's Incentive Compensation Program set target on damages per a thousand tickets. He also had not heard late ticket as an issue in PG&E's Corrective Action Program.

F. Examination Under Oath of [REDACTED]

SED conducted an Examination Under Oath with [REDACTED] on March 1, 2018 in San Francisco. [REDACTED], "an organization that was the driving force behind establishing 811"³³⁸, as he stated,

I'm on the [REDACTED]. Common Ground Alliance is a national organization that has specific stakeholders. PHMSA is a member of the Common Ground Alliance. It represents 16 key stakeholders that include oil operators, gas operators, natural gas distribution operators, equipment operators, railroads, government agencies. It's an organization that was the driving force behind establishing 811.³³⁹

SED asked [REDACTED], "Are you familiar with the reports that have the title 'Gas Operations BPR Keys to Success'?"³⁴⁰ He replied, "I am, yes."³⁴¹ Then SED asked, "What

³³⁷ See Attachment 13 - Examination Under Oath transcript of [REDACTED], p. 125, lines 17-28, and p. 126 lines 1-20.

³³⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 40, lines 4-6.

³³⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 39, lines 21-28, and p. 40, lines 1-6.

³⁴⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 29, lines 23-25.

³⁴¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 29, line 26.

does BPR stand for?”³⁴² He replied, “BPR stands for business plan review.”³⁴³ Then SED asked, “If I refer to these reports in shorthand as Keys Report, would you understand that reference?”³⁴⁴ He replied, “Yes.”³⁴⁵ Then SED asked, “What is the purpose of a Keys Report?”³⁴⁶ [REDACTED] replied,

The Keys Report is a compilation of status reports that is produced monthly to compliment gathering of the key leaders within the gas operations organization that come together in a Keys To Success meeting. It's held monthly, typically dedicated the whole day, but it's a six- to seven-hour type meeting.³⁴⁷

Then SED asked, “Are Keys Reports -- so that meeting -- generally speaking, can you describe the levels and titles of -- is it a PG&E-only meeting?”³⁴⁸ [REDACTED] replied,

It is a PG&E meeting. From time to time, we do have guests that come in. Given that it's a meeting of all of the -- the intent is all of the director level and above leaders with key support groups that support the gas organization from HR, finance, communications, legal, all of the support. So it's a leadership that comes together once a month.³⁴⁹

Then SED asked, “And are the reports prepared in advance of the meeting?”³⁵⁰ [REDACTED] replied, “The reports are prepared in advance of the meeting, yes.”³⁵¹ Then SED asked, “And how are the reports used in that meeting?”³⁵² He said, “So the keys to success meeting has -- the focus has shifted more so from -- it is not a page-turn of the reports.”³⁵³ [REDACTED] continued,

³⁴² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 29, line 27.

³⁴³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 29, line 28, and p. 30, line 1.

³⁴⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, lines 2-4.

³⁴⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, line 5.

³⁴⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, lines 6-7.

³⁴⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, lines 8-15.

³⁴⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, lines 16-19.

³⁴⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 30, lines 20-28.

³⁵⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 31, lines 1-2.

³⁵¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 31, lines 3-4.

³⁵² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 31, lines 5-6.

³⁵³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 31, lines 7-9.

“It’s a referenced documentation that gets provided. The keys to success meeting is agenda-driven.”³⁵⁴ He added,

There is an agenda item where we typically provide a business update. We do also provide a BPR update. A BPR update is the status of our key metrics as they get reviewed with the senior leadership team within PG&E. This is referenced documentation. It’s intended to provide –ask the process owners, functional owners, to provide an update on their key programs.³⁵⁵

According to [REDACTED] statements above, the Keys report is reference documentation with the intent to provide an update on their key programs during the meeting with PG&E employees who are director level and above.

SED asked [REDACTED], “Are you familiar with the statics of when somebody calls in a ticket, and it is located and marked as it relates to the is that statistics that Common Ground Alliance puts out? Do you recall what that success rate is for safety?”³⁵⁶ He replied, “I don’t recall the exact number. But I’m generally familiar with the statistics that Common Ground Alliance publishes. I think they’re often cited and come out of the DIRT reports that the Common Ground Alliance produces.”³⁵⁷ Damage Information Reporting Tool (DIRT) is a system for gathering data regarding damage and near-miss events from excavation activities related to buried facilities.³⁵⁸ Then SED asked, “If I said the number was 99 percent, would that sound familiar?”³⁵⁹ He replied, “It would sound familiar, yes.”³⁶⁰ Then SED asked, “So, in other words, when a ticket is called in and it is located and marked, there is less than one percent – a one-percent hit rate, if you will?”³⁶¹ He replied, “Yeah. When a ticket is called, it

³⁵⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 31, lines 11-13.

³⁵⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 31, lines 15-23.

³⁵⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 42, lines 16-21.

³⁵⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 42, lines 22-27.

³⁵⁸ See Attachment 62 – 2017 DIRT Report, p. 4.

³⁵⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 42, line 28, and p. 43, line 1.

³⁶⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 43, line 1.

³⁶¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 43, lines 3-6.

gives the operator the opportunity to locate and mark a facility. And if proper excavation procedures are followed, it gives that high of a chance.”³⁶²

According to [REDACTED] responses to SED’s questions above, he acknowledged that the success rate for safety is high (99% success rate sounded familiar with him) when operator had the opportunity to locate and mark and the excavator followed proper excavation procedures.

SED asked [REDACTED], “Does it matter if PG&E responds to each and every ticket?”³⁶³ He replied, “It matters that PG&E respond to tickets. The -- there's an inherent incentive to respond to tickets; due to the nature that if you don't respond to tickets, it could lead to damage for not locating and marking a facility.”³⁶⁴ Then SED asked, “So would it be fair to say that not responding to a ticket increases a risk of an incident?”³⁶⁵ He replied, “It could, yes.”³⁶⁶ According to [REDACTED] response above, he agreed that not responding to a ticket could increase a risk of an incident.

SED asked [REDACTED],

We were just talking a little bit about the purpose of the Keys Report, and you were answering if you recall. And I wanted to clarify, just in terms of the report, are there management decisions that are made as a result of the information provided by the Keys Reports?³⁶⁷

He replied,

There could be. One of the management actions that could be as a result of either a written update that gets provided, or a verbal update that gets provided as part of Keys, or if there's an Ask for Help as part of the Keys, one of the tools that we have is a Special Attention Review form. Special Attention Review, the acronym for it is SAR. That's a discretionary management tool that we have when we need to bring attention, focus, to an issue, and the intent of a SAR is if there is an item that needs focus, that we bring resources to bear, not business as usual, but very targeted focus to ensure that we understand the problem and take action commensurate with the problem that's been identified.³⁶⁸

³⁶² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 43, lines 7-11.

³⁶³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 44, lines 7-8.

³⁶⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 44, lines 9-14.

³⁶⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 44, lines 15-17.

³⁶⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 44, line 18.

³⁶⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 47, lines 23-28, and p. 48, line 1.

³⁶⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 48, line 2-20.

According to [REDACTED] statements above, there could be management decisions and actions as a result of the information provided by the Keys reports.

SED provided a few pages extracted from PG&E's January 2017 Keys report³⁶⁹ to [REDACTED] and asked him, "So handing back the January 2017 Keys Report exhibit with the cover page, if you turn to page 140 again and you see there in 2015 and 2016 it shows the same numbers of late ticket counts; so for 2015, 3,385 and 2016 down to 44?"³⁷⁰ He replied, "I see this. Correct."³⁷¹ SED asked [REDACTED] about the text on the page, "And also I see at the top, the piece that I was referring to as well, the sentence that says: 'Late tickets for all divisions have dramatically decreased. Systemwide there were 44 late tickets in 2016 compared to 3,385 in 2015, a decrease of 99 percent.' Do you see that?"³⁷² He replied, "I do."³⁷³ Then SED asked, "Does that surprise you to see that number?"³⁷⁴ He replied, "No."³⁷⁵ Then SED asked, "Okay. So it surprises you to see a change from the old count to the new count but not a change to see from 3,385 a 99 percent decrease to 44 late tickets in 2016? Am I understanding that correct?"³⁷⁶ [REDACTED] replied,

That's correct. I'm not surprised given the level of effort and level of focus that we had on this program. As I articulated earlier, every single year I can point to very specific actions that we have taken around our damage prevention program, those efforts were on increasing the number of employees, making contractors available to compliment when we had spikes, producing -- completely changing the training for our employees, providing them with the most appropriate tools that they needed, with the functionality, with the maps that we had, the enhanced tablets that we were providing to our employees. All of those collective efforts would convey to me that decreasing from 3,385 tickets to 44 was not a surprise.³⁷⁷

³⁶⁹ See Attachment 49 - Extracted pages of January 2017 PG&E Keys report. This was marked as Exhibit 4 in [REDACTED] Examination Under Oath.

³⁷⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 66, lines 26-28, and p. 67, lines 1-3.

³⁷¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 67, line 4.

³⁷² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 67, lines 13-21.

³⁷³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 67, line 22.

³⁷⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 67, lines 23-24.

³⁷⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 67, line 25.

³⁷⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 67, lines 26-28, and p. 68, lines 1-2.

³⁷⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 68, lines 3-20.

In the Guidepost Report, a statement from [REDACTED] was quoted and it stated, “[N]obody in the country gets 100% [on-time tickets] every day”³⁷⁸ However, according to [REDACTED] statement above, he was not surprised to see a 99% decrease of late tickets from 2015 to 2016 and the report of only 44 late tickets in 2016.

Then SED asked [REDACTED], “What does PG&E use late ticket counts for?”³⁷⁹ He replied, I focused on dig-in rate as part of my management review and whether it was at Keys or BPR. The late ticket dimension for me would be something that I would glean from a daily ops call and I would use that information to then ask what help do we need in order to be responsive to late tickets.³⁸⁰

Then SED asked, “So in terms of help that you would need to be responsive to late tickets, what kind of help would that be?”³⁸¹ He replied,

Sure. It would be in many dimensions. One is seek to understand what the driver was for any late ticket. Is it that we didn't have the personnel available, was it that we had an unplanned event, was it that we needed qualified electrical worker support, was it that we were needing more contract resources.³⁸²

According to [REDACTED] statements above, he focused on dig-in rate as part of his management review. However, during [REDACTED] Examination Under Oath with SED, she heard [REDACTED] saying “late tickets are of the utmost importance”³⁸³ to him as she stated,

And we met with [REDACTED] at 4:30 that afternoon, which I believe was -- I believe it was in the month of June last year. And [REDACTED] kicked it off, the meeting off and said that, you know, late tickets are of the utmost importance to him because I think he said four years ago that he was in this campaign basically to get people to call before you dig. And he was doing a lot of communication with the contractor community and that he was asking them to call in, and they said, “Well, you know, you're – the problem we have is you guys don't come out in time.” And he

³⁷⁸ See Attachment 3 - Guidepost Report, p. 25.

³⁷⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 68, lines 21-22.

³⁸⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 68, lines 23-28, and p. 69, line 1.

³⁸¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 69, lines 2-4.

³⁸² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 69, lines 5-12.

³⁸³ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 153, line 28, and p. 154, line 1.

promised them at that time, he made a commitment, "If you call, we will come."³⁸⁴

SED asked [REDACTED], "Has anyone communicated with you that employees or contractors for PG&E doing locating and marking, changed information on tickets so that it would not show up as late?"³⁸⁵ He replied, "I'm not aware of employees or contractors changing information."³⁸⁶ He continued, "What I am aware is through our QA process, where the QA team identified instances of where the ticket was noted to be on time. But based on their review, they felt that ticket was not on time."³⁸⁷ Continuing questions regarding the instances that the QA team identified, SED asked [REDACTED], "So the QA team reported that there were some tickets that did not show up as late or were not recorded as late but, in fact, were late?"³⁸⁸ He replied, "The QA team provided me examples --second quarter, mid-summer of 2016 -- of a handful of tickets where based on their review, the -- in their assessment, that ticket should have been counted as late. But it was a ticket that was showing up as being on time."³⁸⁹ Regarding QA team's examples, SED asked [REDACTED], "Do you recall who shared that information?"³⁹⁰ He replied, "If memory serves me right, it was [REDACTED] who was [REDACTED], I believe, of the organization. And, likely, [REDACTED]."³⁹¹ QA had discussion with [REDACTED] about their examples. SED asked [REDACTED], "What was your reaction when you heard that discussion?"³⁹² He told SED that he was intrigued by what QA had observed as he stated,

Yeah. I was intrigued by what QA had observed. What I didn't know was, is this system-type issue? Is this a training issue with the locator? Is this regional? Is

³⁸⁴ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 153, lines 24-28, and p. 154, lines 1-12.

³⁸⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 88, lines 10-13.

³⁸⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 88, lines 14-15.

³⁸⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 88, lines 17-21.

³⁸⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 89, line 28, and p. 90, lines 1-3.

³⁸⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 90, lines 4-10.

³⁹⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 91, lines 15-16.

³⁹¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 91, lines 17-20.

³⁹² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 3-4.

this extent -- I didn't have an appreciation for extent of condition. Based on their examples, you know, I committed to them to following up.³⁹³

Then [REDACTED] continued,

I went to the [REDACTED] at the time, [REDACTED], and asked him specifically to meet with the QA team. And I didn't want to share -- I didn't want to misrepresent what the QA team had shared with me. So I asked him to have the QA team walk him through the very same examples that had been shared with me.³⁹⁴

Then SED asked him, "Okay. And did you talk with him about what he heard from the QA team?"³⁹⁵ [REDACTED] replied, "I did not."³⁹⁶ Then SED asked, "Okay. Why not?"³⁹⁷ [REDACTED] replied, "I have an officer that is in charge of the operations organization. It was not something that I was shocked or stunned."³⁹⁸

According to [REDACTED] statements above, [REDACTED] did not talk to [REDACTED] about what he heard from the QA team.

SED asked [REDACTED], "Do you -- in light of the late ticket count, do you want to know if late tickets are a reason for a greater number of the dig-ins that happened?"³⁹⁹ He replied,

So I want to know if late tickets are a driver for dig-ins. I want to know that. Dig-in rate has substantially decreased over time and as part of my leadership role, it is incumbent on me to understand what the drivers of the dig-ins are so that I can move to action, whether it's through tools, training, procedures, people to understand what's driving dig-ins so as to minimize.⁴⁰⁰

Then SED asked,

[REDACTED], I think I understand the gist of your point to me and that dig-ins have dropped and the use of the term "driver," I get it, but what I'm trying to understand is whether the dig-ins dropped or not, in light of this increase in late tickets that was reported to us through the revised ticket count, could there be --

³⁹³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 5-12.

³⁹⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 14-21.

³⁹⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 22-23.

³⁹⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, line 24.

³⁹⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, line 25.

³⁹⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, line 26-28.

³⁹⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 137, lines 1-4.

⁴⁰⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 137, lines 5-14.

are you concerned that the number of late tickets are a reason for a greater number of the existing dig-ins than PG&E had initially thought?⁴⁰¹

He replied, "Yeah. Again, I don't know how many times I need to explain this."⁴⁰² Then SED said, "Maybe I'm missing it."⁴⁰³ He said, "I'll try to do it again."⁴⁰⁴ Then SED said, "Please do."⁴⁰⁵ He said,

So my focus was on dig-in rate, and to this date continues to be dig-in rate, and dig-in rate is the number of dig-ins divided by thousand tickets whether you respond to them on time or not. My understanding is it's tickets received. Clearly, you're motivated to respond to those tickets because as we established when you do respond, locate, and mark, the chances of a dig-in occurring substantially reduce. Nothing has been put in front of me through my management reviews, through my leadership teams, that would concern me that late tickets is a driver for the dig-ins that we have experienced. In fact, dig-in rate has dropped substantially and the causes of those dig-ins have not pointed to failure to respond on time or late tickets.⁴⁰⁶

According to [REDACTED] statements above, his focus was dig-in rate, and nothing, through his management reviews and leadership teams, made him concern that late ticket is a "driver" for the dig-ins that PG&E have experienced. Then SED asked, "Okay. I'll ask for just one other clarification. And term 'driver,' I think it may help us, but I'm concerned we're talking past each other, and I don't want to. The term 'driver,' maybe you could just explain what you mean by that?"⁴⁰⁷ He replied, "Sure. I think it would be best to go to a previous exhibit."⁴⁰⁸ Then SED handed Exhibit 4409 to [REDACTED]. Then he said, "So, to me, a driver would be synonymous with the categories on the bar chart on page 141, which are locator error,

⁴⁰¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 137, lines 15-26. See Attachment 53 for the revised late ticket count in PG&E's response (Index 11718) and exhibit 5 in [REDACTED] Examination Under Oath.

⁴⁰² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 137, lines 27-28.

⁴⁰³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 138, line 1.

⁴⁰⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 138, line 2.

⁴⁰⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 138, line 3.

⁴⁰⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 138, lines 4-22.

⁴⁰⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 138, lines 23-28.

⁴⁰⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 139, lines 1-2.

⁴⁰⁹ See Attachment 49 - Extracted pages of January 2017 PG&E Keys report.

wire error, or other error.”⁴¹⁰ Continuing questions about the “driver” for dig-in, SED asked

██████████,

██████████, just a couple of clarifications. I appreciate you unpacking driver. I’m just going to try to explore this one other way. Is there a concern given the increase of late tickets, or the increase -- let me ask it this way. Strike the discussion about late tickets. If a locator does not respond by the required date, the date at which she or he is required to locate and mark, is there a concern that the excavator will begin excavating without having a prior locating mark?⁴¹¹

██████████ said, “Yes, that is a concern.”⁴¹² Then SED asked, “And does that concern relate to dig-ins?”⁴¹³ He replied, “Yeah. The concern is that the excavator would start work that could lead to a dig-in, whether it’s our facilities or any other facilities that were not located and marked.”⁴¹⁴

According to ██████████ statements above, there is a concern that the excavator would start work that could lead to a dig-in if facilities were not located and marked.

SED asked ██████████, “To your knowledge and based on your experience, what sorts of criteria were used to evaluate locate and mark performance? Is it strictly dig-ins? Or more?”⁴¹⁵ He replied, “Well, let me reflect on that. It would be dig-in rate, in some periods we may have had installing of certain number of pipeline markers, so there may have been a performance metric around pipeline markers.”⁴¹⁶ SED asked ██████████, “What about any performance criteria to achieve a goal of zero late tickets?”⁴¹⁷ He replied, “I have not used that as a performance criteria.”⁴¹⁸ Then SED asked, “Do you know of your subordinates who have used that in order to evaluate the performance of others?”⁴¹⁹ He replied, “I’m not aware if that was used or not of

⁴¹⁰ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 139, lines 15-18.

⁴¹¹ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 140, lines 2-14.

⁴¹² See Attachment 35 - Examination Under Oath transcript of ██████████, p. 140, line 15.

⁴¹³ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 140, lines 16-17.

⁴¹⁴ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 140, lines 18-22.

⁴¹⁵ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 147, lines 18-22.

⁴¹⁶ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 147, lines 23-28.

⁴¹⁷ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 148, lines 24-26.

⁴¹⁸ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 148, lines 27-28.

⁴¹⁹ See Attachment 35 - Examination Under Oath transcript of ██████████, p. 149, lines 1-3.

any of my direct reports.”⁴²⁰ Then SED asked, “Do you know if there were any bonuses or other incentives that were in any way related to the achievement of the goal of zero late tickets?”⁴²¹ He replied, “I’m not aware of any financial performance associated with zero late tickets.”⁴²²

According to [REDACTED] statements above, he has not used achieving a goal of zero late tickets as a performance criteria and he was not aware of any financial performance associated with zero late tickets.

SED asked, “[REDACTED], I’m gleaned two very important metrics from today listening to you, one is ticket volume and the other is dig-in rate; is that correct?”⁴²³ He replied, “Of the two, I would say dig-in rate is a very important metric to me, yes.”⁴²⁴ Then SED said, “I’m also hearing that late ticket count is not -- wasn’t on your radar.”⁴²⁵ He replied, “Yeah, but the late ticket count was not something that was a red flag to me.”⁴²⁶ Then SED asked, “Does anyone look at the late ticket count? Does anyone worry about that metric?”⁴²⁷ He replied,

I definitely paid attention when the late ticket count -- late tickets were mentioned as part of the daily ops call, and I think earlier I pointed to an example of where [REDACTED] mentioned -- followed up in the spirit of what help do we need. So it was a prompt that we would look for. If it was mentioned to us by contractors, UCON, as an example, or if it would have been identified as one of the drivers for tickets.⁴²⁸

Then SED asked, “Did anyone come to you and report a discrepancy in the late ticket count?”⁴²⁹ He replied,

The discrepancy that I referenced when the QA team was not a specific discrepancy in the late ticket count, it was more so of examples of tickets that

⁴²⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 149, lines 4-5.

⁴²¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 149, lines 6-9.

⁴²² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 149, lines 10-12.

⁴²³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 161, lines 23-26.

⁴²⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 161, lines 27-28.

⁴²⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 162, lines 1-2.

⁴²⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 162, lines 3-4.

⁴²⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 162, lines 5-6.

⁴²⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 162, lines 7-16.

⁴²⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 162, lines 17-19.

they, as part of their process, had identified that we had counted to be on time, but, based on their evaluation, those tickets, according to their assessment, should not have been counted as on time. That was not then put in context in terms of total late tickets because it was just a handful of examples.⁴³⁰

Then SED asked, "Who brought that QA item to your attention if you recall?"⁴³¹ Then he replied, "I remember meeting with I think it was [REDACTED] and [REDACTED] that walked me through the examples. I don't know if anybody was in the room or not, but I seem to recall both [REDACTED] and [REDACTED] as the ones that walked me through the examples."⁴³² According to [REDACTED] statements above, he recalled that he met with [REDACTED] and Mr. [REDACTED], and they walked him through examples of tickets that the QA team had identified. The examples were tickets that should not have been counted as on time but PG&E had counted them as on time.

Then SED asked, "Is that particular metric, late tickets, is that discussed in any officer level regular meetings?"⁴³³ He replied,

It was not a metric that we had established or tracked -- I shouldn't say tracked. It was not a metric that we overtly discussed in any of my governance meetings. What we did discuss was QA findings and late or locate and mark was one of many programs that QA is focused on. So if they go out and conduct a post leak survey and they come across as finding a gradable leak that was not previously identified by our production leak survey team, those would be examples of what QA would find. If there was a repair that was conducted and the QA team, through their process, in some cases including re-excavation of the area, identified discrepancies between our procedure or those would all be examples that would be identified by the QA organizations. So I say that to put in context that the QA team looks at a lot of different work categories and a lot of different work programs. I would get visibility into the QA type findings, either through our risk and compliance committee or through our quality process improvement council meeting where we get a view into how are we doing from a QA perspective.⁴³⁴

⁴³⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 162, lines 20-28, and p. 163, lines 1-3.

⁴³¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 163, lines 4-5.

⁴³² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 163, lines 6-11.

⁴³³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 163, lines 12-14.

⁴³⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 163, lines 15-28, and p. 164, lines 1-15.

Then SED asked, "To your knowledge, [REDACTED], were any employees under pressure not to have late tickets?"⁴³⁵ He replied,

I did not have direct knowledge, but what I will tell you is through the AGA peer-to-peer review that was conducted, the feedback that I got was that the locate and mark job was a stressful job and there was a perspective from the locate and mark organization that the only time we paid attention to them was whenever there was an at-fault locate as opposed to the work that they did.⁴³⁶

According to [REDACTED] statement above, he did not have direct knowledge of any employees under pressure not to have late tickets. Then SED asked, "To your knowledge, has there been any allegation of falsification of late tickets?"⁴³⁷ He replied,

Not to my knowledge. What I will tell you is that any of those, had it been identified to me, unlike any other allegation of similar nature, we would have acted swiftly and if either Code of Conduct or any of those would have been substantiated, we would have moved to termination.⁴³⁸

According to [REDACTED] statement above, he did not have knowledge of allegation of falsification of late tickets. Then SED asked, "[REDACTED], you mentioned [REDACTED] moving groups. Do you have any details on why that occurred?"⁴³⁹ He replied, "Yes. [REDACTED] was promoted last year."⁴⁴⁰ He added, "He went from [REDACTED] to a [REDACTED] role over the [REDACTED] function."⁴⁴¹ Then SED asked, "Who did [REDACTED] report to directly?"⁴⁴² [REDACTED] asked, "[REDACTED] -- while he was in gas?"⁴⁴³ SED said, "Yes, sir."⁴⁴⁴ He said,

So [REDACTED] had been in the gas organization when I joined the company, and I believe that he over his tenure at one point reported to [REDACTED] as he led the [REDACTED]. I know he reported to [REDACTED]

⁴³⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 164, lines 16-18.

⁴³⁶ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 164, lines 19-28.

⁴³⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 165, lines 17-19.

⁴³⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 165, lines 20-26.

⁴³⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 165, lines 27-28, and p. 166, line 1.

⁴⁴⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 166, lines 2-3.

⁴⁴¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 166, lines 5-7.

⁴⁴² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 166, lines 8-9.

⁴⁴³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 166, line 10.

⁴⁴⁴ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 166, line 11.

[REDACTED] as he was [REDACTED] functions, the [REDACTED] functions. And then [REDACTED] went on to take a -- he's our [REDACTED] now and I [REDACTED] into [REDACTED]. For a short period of time [REDACTED] reported to [REDACTED].⁴⁴⁵

According to [REDACTED] statements above, [REDACTED] was promoted to [REDACTED], and [REDACTED] left the [REDACTED] function and became [REDACTED].

G. Examination Under Oath of [REDACTED]

SED conducted an Examination Under Oath with [REDACTED]

[REDACTED] on November 7, 2017 in San Francisco. As the [REDACTED], [REDACTED] duties included [REDACTED].⁴⁴⁶ On [REDACTED], [REDACTED] became the [REDACTED] for PG&E.⁴⁴⁷

SED asked [REDACTED], "Would it be accurate to say that the PG&E employees under your direction received communications from you to have zero late tickets as a goal?"⁴⁴⁸ He replied, "As an expectation, yes."⁴⁴⁹ Then SED asked, "As an expectation, not a goal?"⁴⁵⁰ He replied, "That is correct."⁴⁵¹ Then SED asked, "Did you do that in writing? Did you communicate in writing with them?"⁴⁵² He replied, "No."⁴⁵³ Then SED asked, "Verbally?"⁴⁵⁴ He replied, "Verbally in team meetings, in helping review the quality of the ticket reviews that

⁴⁴⁵ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 166, lines 12-25.

⁴⁴⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 16, lines 24-28, and p. 17, lines 1-8.

⁴⁴⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 19, lines 11-27.

⁴⁴⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, lines 14-17.

⁴⁴⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, line 18.

⁴⁵⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, line 19.

⁴⁵¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, line 20.

⁴⁵² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, lines 21-22.

⁴⁵³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, line 23.

⁴⁵⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, line 24.

we would do as much as possible. Absolutely.”⁴⁵⁵ According to [REDACTED] statements above, he communicated verbally with PG&E employees to have “zero late tickets” as an expectation, not a goal.

SED asked [REDACTED], “Let me ask you just for your -- [REDACTED] [REDACTED], in your opinion, was achieving zero late tickets a realistic expectation?”⁴⁵⁶ He replied “Yes”⁴⁵⁷ Then SED asked, “And in your opinion, did PG&E's Locate and Mark Department historically have enough resources to sufficiently respond to all late tickets?”⁴⁵⁸ He said, “Yes.”⁴⁵⁹ Then SED asked, “Even when it lost staff at some of the off-peak staff times that we talked about?”⁴⁶⁰ He replied,

Yes. I mean there are always going to be fluctuations in staff. I think a professional Locate and Mark group should always know how to resource manage, resource share, meaning if we are lighter in certain parts of the territory, we'll move resources to where we are heavier. If we are heavier in certain territories, maybe we move to a 4/10, work 4 days, 10 hours a day, or maybe we move to a 12-hour day for a certain period of time. Construction reasons are pretty consistent. Typically our busy time is from April to October. That's when the heavy construction season takes place. We typically try to leverage a higher number of contractors during that period of time to make sure that we can, again, respond to not just the Locate and Mark requests but the standby requests, given the dangers with excavating around our transmission facilities. So I felt like we had the resources we need but was it a perfect situation every single week? No. It was a struggle. It was a battle for all of us.⁴⁶¹

SED asked [REDACTED], “Was your performance ever scored positively in terms of meeting that goal?”⁴⁶² [REDACTED] asked, “Which goal are you referring to?”⁴⁶³ Then SED

⁴⁵⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 33, lines 25-28.

⁴⁵⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 45, lines 24-27.

⁴⁵⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 45, line 28.

⁴⁵⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 46, lines 1-4.

⁴⁵⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 46, line 7.

⁴⁶⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 46, lines 8-10.

⁴⁶¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 46, lines 11-28, and p. 47, lines 1-6.

⁴⁶² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 51, lines 7-8.

⁴⁶³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 51, line 9.

said, "The goal of achieving zero late tickets?"⁴⁶⁴ [REDACTED] replied, "No."⁴⁶⁵ Then SED asked, "Was your performance ever scored negatively in terms of meeting that goal?"⁴⁶⁶ He replied, [REDACTED]"⁴⁶⁷ Continuing with questions about [REDACTED] evaluation of himself regarding the zero late tickets goal, SED asked him, "[REDACTED]"⁴⁶⁸ He replied,

I don't know the specific year, but I don't think there was ever a time where we could say we had zero late tickets for an entire 365-day time frame. There were always situations where we had new locators or situations that come up and all it takes is one missed 48-hour and that goal is gone. So I don't think anyone, [REDACTED], really believed or really felt like we could honestly say there is zero late tickets for an entire 365-day year. We did have weeks. I think we had like a month or two going at one point, if I recall correctly, where we were on a pretty good clip, but there was no one who could say in the group 100 percent, of the million tickets that we did in 2016, for example, all one million of those were all done within a 48-hour time frame.⁴⁶⁹

Then SED asked, "Yet you had the expectation to meet that goal?"⁴⁷⁰ He replied,

Absolutely. Because that is what the Code requires. If we were to set a goal that says 10 percent of the tickets are okay to be late, I don't think that would be appropriate for PG&E or my team. A professional team should always have very high expectations for themselves relative to the work that they execute.⁴⁷¹

According to [REDACTED] statements above, he did not think anyone, [REDACTED], really believed they could honestly say there are zero late tickets for an entire 365-day year. Yet, [REDACTED] PG&E employees the expectation to meet that goal.

⁴⁶⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 51, lines 10-11.

⁴⁶⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 51, line 12.

⁴⁶⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 51, lines 13-14.

⁴⁶⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 51, lines 15-17.

⁴⁶⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 52, lines 4-6.

⁴⁶⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 52, lines 7-25.

⁴⁷⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 52, lines 26-27.

⁴⁷¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 52, line 28, and p. 53, lines 1-7.

SED asked [REDACTED], "Was there a team that looked at quality management and quality assurance of PG&E's Locate and Mark ticket data?"⁴⁷² He replied, "There was a team [REDACTED]. [REDACTED]. And she did go through and do document review, document evaluations relative to Locate and Mark activities."⁴⁷³ SED asked [REDACTED], "Were you aware that PG&E's quality assurance team found multiple instances where locators changed the status of a ticket in order to stop them from showing up as late in [I]rthnet?"⁴⁷⁴ He replied, "No."⁴⁷⁵ But when SED asked, "Did you ever hear anyone state it was not an acceptable practice to move tickets into different statuses in order to stop them from becoming late?"⁴⁷⁶ He replied, "Yes."⁴⁷⁷ Then SED asked, "Who did you hear state that to you?"⁴⁷⁸ He replied,

I forget the [REDACTED]

[REDACTED] One of the findings, as I recall, was there was notations and tickets that were, in their minds, again, deemed to be moving or tolling a ticket so that it does not show up as late or come across as late in our [I]rthnet system.⁴⁷⁹

According to [REDACTED] statements above, he received quality assurance findings [REDACTED] and he recalled that one finding was moving a ticket so that it does not show up as late in their IrthNet system. SED also wants to note that [REDACTED] [REDACTED] Locate and Mark Supervisor, wrote the following and carbon copied [REDACTED] [REDACTED] in an email, dated December 12, 2014:

After reviewing my late tickets I found a common theme. The locators were under the impression that by adding a note to the excavator before the due time that would stop it from going late. I spoke to my group to let them know what

⁴⁷² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 70, lines 22-24.

⁴⁷³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 70, lines 25-28, and p. 71, line 1.

⁴⁷⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 72, lines 6-10.

⁴⁷⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 72, line 11.

⁴⁷⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 72, lines 12-15.

⁴⁷⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 72, line 16.

⁴⁷⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 72, line 17.

⁴⁷⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 72, lines 18-27.

they need to do is always respond to the excavator by either negotiating a new start time or schedule a field visit.⁴⁸⁰

SED asked [REDACTED], "Were you aware that people were moving tickets -- late tickets into different statuses in order to stop them from becoming late?"⁴⁸¹ He replied,

I was aware of an instance or two, but it was not multiple people doing it. And the ones that I recall being aware of, one was a contractor we moved off the property and then another it was a training issue with a newer Locate and Mark person who really didn't have a good understanding of what the protocol was. So, to me, that's a training gap that we identified thanks to the QA team.⁴⁸²

SED asked [REDACTED], "So you weren't aware that PG&E's Quality Assurance Team found late tickets in [I]rthnet that your late ticket counts did not find?"⁴⁸³ He replied,

Again, this was some time ago. To my knowledge, absolutely not. Relative to how late tickets are counted, are we including first-party tickets, second-party tickets or only third-party tickets? Are we including all tickets that were phased, meaning it was a multiblock project and it only counts as one ticket, do you include that? So it just depends on how QA -- or counting those tickets and how we were counting those tickets. If there was a discrepancy -- and I'm not saying there weren't -- it was probably in what we counted and what we didn't count, for sure.⁴⁸⁴

SED had to clarify to [REDACTED], "Just to clarify, I'm really asking about the whole universe of late tickets at this point. So for a second, third-party, phased, other late tickets, for whatever reason, I'm using the term very generally at this point."⁴⁸⁵ SED asked [REDACTED] again, "So just this clarification, would you give the same answer with that clarification about the discrepancies between your counts and the quality assurance team's counts?"⁴⁸⁶ He replied,

⁴⁸⁰ See Attachment 54 – [REDACTED] email on December 12, 2014. SED received a copy of this email from PG&E as part of its data request response (PG&E Index 11718)

⁴⁸¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 76, lines 26-28, and p. 77, line 1.

⁴⁸² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 77, lines 2-10.

⁴⁸³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 80, lines 21-24.

⁴⁸⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 80, lines 25-28, and p. 81, lines 1-10.

⁴⁸⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 81, lines 13-18.

⁴⁸⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 81, lines 19-23.

“Yes. Could there have been a discrepancy? Yes. But there was not a consistent discrepancy on the way we counted tickets versus the way QA counted tickets.”⁴⁸⁷

[REDACTED], in her Examination Under Oath, talked about her team’s late tickets metric and [REDACTED] late tickets metric as she stated,

So -- and you haven't asked me, but I should probably clarify that you know [REDACTED] had a late ticket metric as well. And it was not the same metric that I had, so maybe that's a good point of clarification is because [REDACTED] measured late tickets using irthnet data. And what that meant was any ticket that was not marked within 48 hours.⁴⁸⁸

Then she added,

So there were a number of statuses that were being used to then -- once you put “inclement weather” or “phasing” it took it off the counter. So no longer was it visible in irthnet as a late ticket. So [REDACTED] just looked at that one - [REDACTED] team, how they set their parameters, looked at that one criteria for late tickets. And so he had a late ticket metric maybe that said -- at one point his said six, mine said 15, and the question came: Why do you guys have difference in those?⁴⁸⁹

According to [REDACTED] statements above, [REDACTED] late ticket metric was not the same metric that she had. SED asked [REDACTED], “Did your metric capture more late tickets than [REDACTED] metric?”⁴⁹⁰ She replied, “Yes. And his, the ones he captured were not part of our data set. We didn't like double count them. Once he already identified them as late, we wouldn't go pull a late ticket to assess and double count it.”⁴⁹¹ According to [REDACTED], statement above, her metric did not capture late tickets in [REDACTED] metric and her team did not double count late tickets.

In addition, SED found an email in PG&E’s data request response (PG&E Index 11718) stating 36 late tickets QA found was shared with [REDACTED]. This email was sent from [REDACTED] to [REDACTED] on December 20, 2016. In the email, [REDACTED] referenced a text from [REDACTED] and he wrote to [REDACTED]:

[REDACTED]
Just got this text from [REDACTED]

⁴⁸⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 82, lines 24-27.

⁴⁸⁸ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 117, lines 3-10.

⁴⁸⁹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 119, lines 2-13.

⁴⁹⁰ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 16-17.

⁴⁹¹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 18-22.

I'm w [REDACTED] and he's sharing in rcc we have 36 late tix QA found that we aren't tracking? Please contact [REDACTED] and figure out what happened. If the moss is our data collection or we simply missed reporting these tix. I don't have to tell u 2 this is a high priority item in rcc⁴⁹²

According to the quoted email above, QA communicated with [REDACTED] that 36 late tickets were not tracked by his team. SED notes that PG&E only reported 44 late tickets for the entire year of 2016.

SED asked [REDACTED], "Were you aware that PG&E's quality assurance team had a metric for counting late tickets?"⁴⁹³ [REDACTED] asked, "Specific to their department or for the company or Gas Operations in general?"⁴⁹⁴ SED said, "Any of the above."⁴⁹⁵ Mr. Dickson said, "I am not aware that they had a metric for late tickets specific to the QA department."⁴⁹⁶ Then SED asked, "What about for Gas Operations in general?"⁴⁹⁷ [REDACTED] replied, "No, I'm not aware that they kept the number of late tickets for the Gas Operations Department. We were the only ones that reported out on this on a monthly basis from a ticket count, late ticket perspective, to my knowledge."⁴⁹⁸ SED also asked [REDACTED], in her Examination Under Oath, about late tickets metric. SED asked [REDACTED], "I think the difference between your metric and [REDACTED] for late tickets, did you tell [REDACTED] or communicate with him about your metric?"⁴⁹⁹ She replied, "Oh, yeah. Yes."⁵⁰⁰ Then SED asked, "So he knew you had a different metric than he did?"⁵⁰¹ She replied, "Absolutely. Yeah."⁵⁰² According to [REDACTED] statements above, [REDACTED] knew about a different metric that she had. However,

⁴⁹² See Attachment 34 - [REDACTED] Email on December 20, 2016.

⁴⁹³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 82, lines 27-28, and p. 83, line 1.

⁴⁹⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 83, lines 2-3.

⁴⁹⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 83, line 4.

⁴⁹⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 83, lines 5-7.

⁴⁹⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 83, lines 8-9.

⁴⁹⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 83, lines 10-15.

⁴⁹⁹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 5-8.

⁵⁰⁰ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, line 9.

⁵⁰¹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 10-11.

⁵⁰² See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, line 12.

according to [REDACTED] statements above, he was not aware that QA had a metric for late tickets specific to the QA department or the Gas Operations in general.

SED asked [REDACTED], "Does PG&E have a metric to report late USA tickets?"⁵⁰³ He replied, "Yes."⁵⁰⁴ Then SED asked, "And to track those USA late tickets?"⁵⁰⁵ He replied, "Yes."⁵⁰⁶ Then SED asked, "And you're familiar with the metric?"⁵⁰⁷ He replied, "Yes."⁵⁰⁸ Then SED asked, "Can you describe how the metric tracks the late USA tickets?"⁵⁰⁹ He replied "Pulls right out of [I]rthnet the report that comes out, the report that comes out. Those tickets that are identified that miss the 48-hour window, those are the tickets that are counted late and that is what we track. That is what we measure."⁵¹⁰ Then SED asked, "Is this a metric to be used to measure the performance of the locators and their supervisors?"⁵¹¹ He replied,

Part of their performance, yes. We also have performance expectations around coaching work execution, identifying areas of where they're doing really well, and how do we get more of our locators to perform at a certain level that we may have a certain group of locators performing. So it's part of what they're measured on but not all of what they're measured on.⁵¹²

Then SED asked, "Do you see any deficiency with the metric?"⁵¹³ He replied,

[REDACTED]. I was very confident that what is in [I]rthnet is what we used and that was the best information that we had at the time. And I had a lot of confidence in that data that came out of [I]rthnet.⁵¹⁴

⁵⁰³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 100, lines 21-22.

⁵⁰⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 100, line 23.

⁵⁰⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 100, lines 24-25.

⁵⁰⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 100, line 26.

⁵⁰⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 100, lines 27-28.

⁵⁰⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, line 1.

⁵⁰⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, lines 2-3.

⁵¹⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, lines 4-9.

⁵¹¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, lines 10-12.

⁵¹² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, lines 13-21.

⁵¹³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, lines 22-23.

⁵¹⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 101, lines 24-28, and p. 102, lines 1-2.

According to [REDACTED] statements above, he was very confident with the data came out of IrthNet. However, SED found that [REDACTED] wrote to his team “no more gaming the late ticket metric” in an email he sent to the Locate and Mark supervisors, dated July 28, 2016. In this email, he wrote in part:

My asked, I need each of you to refocus yourselves and your teams to laser focus on quality, safety and compliance. No more not following procedures, no more gaming the late ticket metric, no more refusing to complete end of day reviews. Today and everyday afterwards we must be committed to turning our negative trend around AFDI, resource management and process adherence to positive. Take immediate action, don't wait. Don't except mediocre performance from yourself or your employees.⁵¹⁵

SED asked [REDACTED], “Have you seen or heard of PG&E leaving a voicemail for an excavator on a ticket?”⁵¹⁶ He replied, “Yes.”⁵¹⁷ Then SED asked, “Did you instruct anyone to leave a voicemail for excavators who called in tickets?”⁵¹⁸ He replied, “No.”⁵¹⁹ SED asked, “What did you do when you learned of PG&E leaving a voicemail for an excavator on a ticket? And did you take any actions in response to that from a management point of view in order to address that?”⁵²⁰ He replied,

If I felt that it was becoming more habitual, meaning 10 out of 100 tickets, 30 out of 100 tickets, we're all leaving a bunch of voicemails instead of making personal contacts, that would be a trend, a data point that I would want to explore. I probably would have engaged a supervisor, asked their input, "Hey, do you know what's going on?" More importantly, [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]. There are times where voicemails have to be left. I understand that, but it should not be a regular practice on our part.⁵²¹

⁵¹⁵ See Attachment 55 - [REDACTED] email on July 28, 2016. SED received a copy of this email from PG&E as part of its data request response (PG&E Index 11718)

⁵¹⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 113, lines 8-10.

⁵¹⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 113, line 11.

⁵¹⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 113, lines 12-14.

⁵¹⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 113, line 15.

⁵²⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 113, lines 23-27.

⁵²¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 113, line 1, and p. 114, lines 1-17.

Then SED asked, "Did you observe anyone working for PG&E who reestablished a start time on a ticket without first receiving agreement from the contractor who created that ticket?"⁵²² He replied, "I have not personally seen that, no."⁵²³ Then SED asked, "Did you hear of that?"⁵²⁴ He replied, "I've not -- no, I didn't hear of that either. No."⁵²⁵ Then SED asked, "So you did not instruct anyone to reestablish a start time on a ticket without first receiving agreement from the contractor who created that ticket?"⁵²⁶ He replied, "No."⁵²⁷ Then SED asked, "Had any PG&E employees communicated with you that locators were falsifying tickets by renegotiating a start time on a ticket without first receiving agreement from the excavator to do so?"⁵²⁸ He replied, "No."⁵²⁹ But when SED asked [REDACTED], "Had anyone working for PG&E communicated with you that locators were falsifying tickets by renegotiating the start time on a ticket without first receiving agreement from the excavator to do so?"⁵³⁰ He said,

There was an occasion or two where the QA group came in and made an observation that they thought a couple locators may be trying to beat the system a bit and extending tickets to make sure that those tickets don't go passed the 48 hours. I can't think of a handful or 10 or 25 of those occasions, but I do remember a couple occasions where that allegation was made that then was investigated by the supervisor and the superintendent. It was also then went back over and reviewed by the QA department, and we took --we took the necessary action. I don't have a specific instance or occurrence that I can recall right now. But I know we were pretty good at following through and following up on items that we felt merited it.⁵³¹

⁵²² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 114, lines 18-21.

⁵²³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 114, lines 22-23.

⁵²⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 114, line 24.

⁵²⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 114, lines 25-26.

⁵²⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 114, lines 27-28, and p. 115, lines 1-2.

⁵²⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 115, line 3.

⁵²⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 115, lines 4-8.

⁵²⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 115, line 9.

⁵³⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 115, lines 10-14.

⁵³¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 115, lines 15-28, and p. 116, lines 1-4.

Continuing with questions about the alleged falsification of tickets, SED asked [REDACTED], "Which individuals communicated with you -- I think you mentioned alleged. I'll say it the same way -- alleged falsification of tickets?"⁵³² He replied,

I don't remember the exact person. Like I said, I'm pointing to QA and QA reports or QA reviews. I do recall on a couple of occasions that came up, and my team addressed it. I don't remember the specific incident, but I know there was a couple of occasions where a little bit of that came up.⁵³³

Then SED asked, "Were the allegations factually based?"⁵³⁴ He said,

As it relates to what QA said, in their minds, it was. I don't have the investigation report or the report of what sort of happened in investigating that. So I can't tell you did it all shake out to be factual, but at that moment, QA at that time they felt very strongly that that probably was what was a direct result of what they found.⁵³⁵

Continuing with questions about the alleged falsification of tickets, SED asked [REDACTED], "So there were two or three, several instances where you had heard about an alleged falsification of late tickets or alleged falsification of tickets so that they would not become late. Am I capturing that right?"⁵³⁶ He replied,

No. What I'm trying to put forth is there were a couple of occasions where there were allegations that an employee may have extended a ticket without making positive contact personally as per the --within the 48 hours. I do recall two or three instances out of the millions of tickets that we reviewed where that allegation came up. And like everything else, their allegations, we investigate them, and I don't have the report in front of me. I don't know what the findings were. But certainly you have access to that, and you can determine where that ended up.⁵³⁷

According to [REDACTED] statements above, there were allegations that an employee may have extended a ticket without making positive contact personally within the 48 hours, and his team investigated the allegations. Then SED asked, "[H]ow would we identify the

⁵³² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 116, lines 23-26.

⁵³³ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 116, lines 27-28, and p. 117, lines 1-5.

⁵³⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 117, lines 6-7.

⁵³⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 117, lines 8-16.

⁵³⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 119, lines 2-7.

⁵³⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 119, lines 8-22.

investigations that occurred where there were falsified -- alleged falsified -- excuse me -- alleged falsified tickets?"⁵³⁸ He replied,

So your question -- your line of questioning leads me to think that there's some QA report or some document that you've already reviewed that connotes that someplace or notates that someplace. My position is -- because I felt like your question was has that ever happened, and in my mind, there were a couple, two, three occasions in the four years that I've been there. Do I have specifics on that? I really don't. It was a long time ago. Do I know specific reports that was done on that? No. But did we have protocols to investigate? Absolutely. And those protocols should have generated a report. That said, here are the findings. QA would have been a part of that. And so [REDACTED] would be the appropriate person -- if you haven't spoken to her, she would be the appropriate person to get that information from.⁵³⁹

Then SED asked, "Can you talk more about the procedure that was followed in order to address the falsified tickets?"⁵⁴⁰ He replied,

Sure. So if we have an allegation of that, we first -- the first step is for us to contact the supervisor. And by "we," it's the superintendent. The superintendent's charged with managing a group. That superintendent would contact that supervisor, "Hey, here's what we're hearing. Hey, let's set some time up and review sort of a history, and I'll do a sample size of review and let's sort of figure out what happened, if there's any fact to this or if there's any legs to what this allegation is. Could be the particular employee may have skipped a step and may have not wanted to share that step. Could be the employee either missed a step and just outright missed it. We really don't know until an investigation is done. That superintendent, supervisor will work through that investigation, and then that information is shared with the employee that the allegation is made against, again, not in a punitive way because we don't know if their motives or intent is to try to defraud but more about, "Hey, did you know you may have missed this step? And here's the damage prevention handbook or work procedure that outlines and prescribes exactly what it is that you missed."⁵⁴¹

Then [REDACTED] continued,

So we would go through that, and then we would pay attention to are we seeing this from a trending perspective by that same employee. If we do see a trend, then we then start to address that particular employees' performance. We ask for -- they ask for things like training records, training performance, tool calibration

⁵³⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 119, lines 25-28, and p. 120, line 1.

⁵³⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 120, lines 2-23.

⁵⁴⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 120, lines 24-26.

⁵⁴¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 120, lines 27-28, and p. 121, lines 1-26.

records. We then look at, again, another sample size of his work. Did he come from an outside area? Who was his mentor and trainer? We balance all of that. And if we feel like the employee can be trained to do it properly, we then retrain them. We send them through a retraining. Sometimes we pull them out of the field and send them back to school. That's an extreme case. Very extreme cases we don't let them do any more Locate and Mark. I don't know if that's happened in my tenure, but that's a very extreme case where we just -- you know what? You can't do that until you can satisfy our thinking around your capabilities in executing this particular work. ⁵⁴²

He continued,

So it's a pretty exhaustive investigation. But it's something that's really done at the supervisor, superintendent level. What gets shared with me is the outcome. So I get the outcome. Here's what we found. Here's what's real. Here's what's not. And here's what we're doing about it to prevent it from happening again.⁵⁴³

Then SED asked [REDACTED], "As part of the outcome that gets shared with you, would the -- whether the alleged falsification was, in fact -- in fact, a falsification?"⁵⁴⁴ He replied, "Correct."⁵⁴⁵ Then SED asked, "And did you find that some of the alleged falsifications were, in fact, falsifications as part of those outcomes?"⁵⁴⁶ He replied,

No. Not the ones -- I don't recall many of them, but the couple that I saw, they were honest mistakes that an employee may have made or omitted a step and not wanting to call themselves out, didn't report anything or didn't say that, "Hey, I made that error" and it came up in a QA review or QC review process. That's why we have those things in place.⁵⁴⁷

According to [REDACTED] statements above, he claimed that the alleged falsifications were not falsification as part of the investigation outcomes that got shared with him. Then SED asked, "In each instance where there was an alleged falsified ticket, would you receive the outcome from the investigation?"⁵⁴⁸ He replied, "Verbally, yes. I think record-wise what was

⁵⁴² See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 121, lines 27-28, and p. 122, lines 1-23.

⁵⁴³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 122, lines 24-28, and p. 123, lines 1-2.

⁵⁴⁴ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 123, lines 3-6.

⁵⁴⁵ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 123, line 7.

⁵⁴⁶ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 123, lines 8-10.

⁵⁴⁷ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 123, lines 11-19.

⁵⁴⁸ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 124, lines 9-12.

documented usually stayed at the supervisor level. Just as far as the outcome and corrective actions that were taken, the supervisor would then manage and address that.”⁵⁴⁹ Then SED asked, “Would you receive some of the outcomes in writing?”⁵⁵⁰ He replied, “Not unless it was an outcome or investigation driven by QA or regulatory affairs by a request coming from you. I would most likely receive those sorts of outcomes about what was actually found.”⁵⁵¹ Then SED asked, “Okay. Most likely receive the sorts of outcomes about what was found. So I think I’m hearing that when there was an alleged falsification you would get a verbal report in all instances [REDACTED], and the superintendents would receive the written outcome?”⁵⁵² He replied,

They would either be a part of the written outcome or they would be informed verbally by the supervisor as to what actions they took. Again, this is more about correcting a behavior and less about finding guilt or fault necessarily, because I think when you take that approach you end up driving people underground. And they don’t want to really report what’s really happening on the ground.”⁵⁵³

According to [REDACTED] statements above, the investigation outcome of alleged falsifications was more about correcting a behavior and less about finding guilt or fault necessarily.

H. Examination Under Oath of PG&E’s [REDACTED]

SED conducted an Examination Under Oath with [REDACTED]

[REDACTED] on June 19, 2017 in San Francisco. As the [REDACTED] for PG&E’s Locate and Mark Department from [REDACTED], [REDACTED] duties included [REDACTED]”⁵⁵⁴

⁵⁴⁹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 124, lines 13-18.

⁵⁵⁰ See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 124, lines 19-20.

⁵⁵¹ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 124, lines 21-25.

⁵⁵² See Attachment 33 - Examination Under Oath transcript of [REDACTED] p. 124, lines 26-28, and p. 125, lines 1-4.

⁵⁵³ See Attachment 33 - Examination Under Oath transcript of [REDACTED], p. 125, lines 5-14.

⁵⁵⁴ According to [REDACTED] in her Examination Under Oath transcript, p. 24, the role of her Super Gas Ops team was:

“So we defined a process for how we get work, and then it’s to bring visibility when we didn’t have enough or we had too much or, you know, there were issues not being solved. So we

[REDACTED]
[REDACTED],⁵⁵⁵ [REDACTED] was the [REDACTED]
[REDACTED]

⁵⁵⁶

SED asked [REDACTED], "And if [PG&E] either can't mutually agree with the excavator upon a new start date or they don't reach the excavator and the locator can't meet the due date, what's the term used to describe the ticket at that point?"⁵⁵⁷ She stated that, "[I]t should either be a late ticket or – a late ticket or they go do it. I mean, that should be the only two options."⁵⁵⁸ Then SED asked, "And then regarding the term 'late ticket,' let me ask this. You say those should be the only two options. Are there other things that PG&E has done that you're aware of?"⁵⁵⁹ She said, "Well, yes."⁵⁶⁰ Then SED said, "Can you elaborate upon that."⁵⁶¹ Then she said, "I think we have had quite a few audits and research that showed that there was a number of ways that the system -- I mean, the locators were doing other things other than what the procedure required."⁵⁶² Then SED asked, "Okay. Meaning that the locators were not following the procedures?"⁵⁶³ She replied,

Right. They would either renegotiate and not really speak to anybody, or three times and close the ticket out was another thing that we saw. I mean, there's other ones that they would use, some of the other dropdowns that the system might not pick up that it's a late ticket when using that.⁵⁶⁴

developed a -- you know, you'd have a morning report, you know, with the supervisor and the employees. And so it was about visibility and developing a reporting mechanism so it would bring visibility to leadership and everybody, really, about the work that needed to get done."

⁵⁵⁵ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 23, lines 18-25, and p. 24, lines 1-11.

⁵⁵⁶ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 22, lines 18-24.

⁵⁵⁷ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 2-6.

⁵⁵⁸ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 7-9.

⁵⁵⁹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 10-13.

⁵⁶⁰ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 14.

⁵⁶¹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, line 15.

⁵⁶² See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 16-19.

⁵⁶³ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 20-21.

⁵⁶⁴ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 40, lines 22-25, and p. 41, lines 1-2.

██████████ mentioned that PG&E's Quality Management team and some others had reported tickets where the due dates were changed without reaching mutual agreement with the excavator.⁵⁶⁵ When SED asked if she had an idea of how many people would have reported this problem, she replied,

Well, no. I mean, it was a struggle. I think the supervisor's employees would feel pressure to not have late tickets. So when you look at the underlying root cause, it's not like you have employees running around who just want to falsify a document. It's that you have such pressure put on late tickets that I think that was part of the root cause.⁵⁶⁶

SED asked ██████████, "[O]n a ticket where they would contact -- PG&E would contact the excavator several times and try to reach the excavator, and if they couldn't reach the excavator they would close out the ticket. Did I get that right?"⁵⁶⁷ ██████████ replied,

Yes, I have heard of locators doing that. And I think they did it to prevent a ticket from being late. Originally what that was intended for is, there is in the law, okay, if you can't get ahold of an excavator three times, you know, you make three attempts and then close the ticket out. But the intent of that is to, say there's something wrong, like a wrong address or bad information, or, you know, it says north and it can't possibly be north. So when there really needs to be some communication; right? I mean, that's the intent of that. It's like, Okay, I can't get ahold of you and I'm not understanding what you want me to do. Maybe there's no USA marks or maybe he can't find them. There could be a lot of reasons where we would need to communicate with the excavator. ⁵⁶⁸

She continued, "But there should be some reason you need to communicate other than, okay, I just can't get to the ticket, I'm going to close it out because I don't have the time to get to it."⁵⁶⁹

According to ██████████ statement above, she has heard of locators closing out tickets if they could not reach the excavators after trying three times. SED notes that, according to PG&E's TD-5811P-105-JA01 Rev. 1 (published in October 2015), closing a ticket after three attempts to reach an excavator should not be done unless the locator was requesting for help or

⁵⁶⁵ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 41-44.

⁵⁶⁶ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 44, lines 13-19.

⁵⁶⁷ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 57, lines 15-20.

⁵⁶⁸ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 57, lines 21-25, and p. 58, lines 1-10.

⁵⁶⁹ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 58, lines 12-15.

information needed for completing the ticket. In addition, in its response (PG&E Index 11333.03), PG&E stated that, "If the requestor could not be reached by the start time, the ticket would be considered late."⁵⁷⁰

SED asked [REDACTED], "Do you know, is this a fairly recent practice that PG&E has -- that some at PG&E have started doing, that if you don't reach an excavator after trying several times, that you close out the ticket?"⁵⁷¹ She replied, "Yeah, I think it pretty much started over the last, you know, three or four years."⁵⁷² Then she said, "I think we went from -- I know there's a report there that we went from, you know, thousands of late tickets to almost nil."⁵⁷³ Then SED asked [REDACTED], "Three or four years. Do you have a sense of why that practice began?"⁵⁷⁴ She said,

All of a sudden there was pressure to focus on locate and mark. [REDACTED], you got your tickets, did what you could, and turned the rest back at the end of the day. And I think it was a different -- it was a game changer at some point or another for locate and mark. There was a goal of zero late tickets and, you know, there was pressure on them to not have any, you know, and I think heads would roll, so to speak, if there were late tickets in any division. So I think they just began to do workarounds, is my thought on it.⁵⁷⁵

As indicated in [REDACTED] statement above, the pressure on locators to not have any late tickets caused the locators beginning to do workarounds rather than reporting late tickets as late. SED asked [REDACTED], "Did [REDACTED] instruct that there be zero late tickets at any time?"⁵⁷⁶ She replied, "Yes"⁵⁷⁷ and added, "Phone calls to me, you know, saying zero is the number, zero is the number. Or, you know, if somebody would get a late ticket, I would get a phone call, you know, saying--"⁵⁷⁸ She continued, "I would get a phone call, you know, saying

⁵⁷⁰ See Attachment 24 - PG&E's response (Index 11333), p. 5.

⁵⁷¹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 60, lines 13-16.

⁵⁷² See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 60, lines 17-18.

⁵⁷³ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 60, lines 20-22.

⁵⁷⁴ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 60, lines 23-24.

⁵⁷⁵ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 60, line 25, and p. 61, lines 1-10.

⁵⁷⁶ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 74, lines 9-10.

⁵⁷⁷ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 74, line 11.

⁵⁷⁸ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 74, lines 13-16.

--discussing that late ticket. Or the supervisors themselves might get the phone call discussing that late ticket.”⁵⁷⁹

When SED asked [REDACTED], “Would [REDACTED] -- when he called you to talk about these late tickets, I mean, would he call you on a weekly basis about this, or is this more of a monthly thing?”⁵⁸⁰ She replied,

Whenever it would happen that, you know, he would get a report on it or something. Maybe get an e-mail the ticket went late, or maybe it was on a report, or maybe it was on a QC thing, or maybe it was on this -- they have this monthly report out, you know, the keys report that goes out. It might have been on there. There's a number of ways that they're reported up, you know. I think it depends on how he heard it and when he heard it.⁵⁸¹

Then SED asked, “And I'm gleaning this might have been a somewhat regular occurrence, then, where he would speak to you about late tickets, depending on all the different ways that he heard about them?”⁵⁸² [REDACTED] replied, “Yes.”⁵⁸³ Then SED asked, “Did he ever threaten you with consequences if you didn't get the late tickets to stop?”⁵⁸⁴ [REDACTED] replied,

Well, I mean, he certainly threatened me by way of the supervisor saying, Hey, can he handle that job? Do I need to fire him? Something like that. Threatening me would be like, I'm counting you on you to, you know, do your job. You know, those kinds of threats. So it wasn't like he would say, Oh, if you don't have zero late tickets, I'm going to fire you. It wasn't that he said that to me. But it was more like, you know, I need you to get this done, and zero is the number, and, you know, Why isn't this happening? That kind of thing. Or threatening the supervisors.⁵⁸⁵

According to [REDACTED] the employees felt pressure and the expectation of zero late ticket was not reasonable as she stated that,

And I think I really wanted to try to work out the late ticket thing. Instead of saying, Hey, hey, no late tickets, let's look at the root cause and see how many

⁵⁷⁹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 74, lines 18-21.

⁵⁸⁰ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 77, lines 11-14.

⁵⁸¹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 77, lines 15-23.

⁵⁸² See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 77, lines 24-25, and p. 78, lines 1-2.

⁵⁸³ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 78, line 3.

⁵⁸⁴ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 78, lines 4-5.

⁵⁸⁵ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 78, lines 6-17.

people does it take to get this done, and why are the employees putting notes in the ticket. They feel pressure. You don't have bad employees out there. You have employees trying to meet the expectations. And if they are not reasonable expectations, there's going to be workarounds.⁵⁸⁶

SED asked [REDACTED], "And I think you mentioned earlier, I think you used the word 'falsify tickets,' so I'm going to follow that. And please correct me if I'm not getting that right. But did you mention the word 'falsifying tickets' earlier?"⁵⁸⁷ [REDACTED] replied,

Well, I don't know if I used the term "falsify." What I'm saying is inappropriately document. So if you, you know -- I think the first time I saw it from [REDACTED] [REDACTED] was we were doing a dig-in reduction program. So we'd go into a division and get people together and go out in the field. We tried to coordinate with like different crews and supervisors from other things, and work together to go out in the field to look for people digging without USAs or maybe they're digging unsafely. And [REDACTED] came and he would print out tickets for us. And in the morning I happened to see him, and he was making notes on tickets. And I said, Hey, you're making notes on the tickets, you're not making phone calls. He said, I don't have time to make phone calls. So that's the first time I saw it. And then later, when somebody went to relieve him, the direction was to that person to make the notes. And, you know, I said, Don't do it. And this was 2016, I think. And I said, Don't do it. Either call the supervisor, let the ticket go late, or make the phone call yourself, but do not make a note on the ticket, do not use the dropdown 'renegotiated,' or any other way, if you haven't actually mutually renegotiated the ticket. So that's just kind of like the pressure, you know, I think that they all felt to do it.⁵⁸⁸

According to [REDACTED] statement above, she had witnessed that personnel "inappropriately" document notes on tickets. When SED asked [REDACTED], "To your knowledge did [REDACTED] provide instructions that left PG&E employees with no choice but to change the due dates on late tickets without getting agreement from excavators?"⁵⁸⁹ She replied,

I think he did. I think, you know, because of the pressure and the way he was. I mean, we had several meetings. In fact, one of them, because of the inappropriate behavior from him, we actually met with [REDACTED]. [REDACTED]

⁵⁸⁶ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 79, lines 14-22.

⁵⁸⁷ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 88, lines 9-14.

⁵⁸⁸ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 88, lines 15-25, p. 89, lines 1-15.

⁵⁸⁹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 101, lines 4-7.

██████████ met with him to try to discuss what kind of behavior they were getting from ██████████ to try to get it to stop.⁵⁹⁰

Then SED asked, "And did you inform ██████████ that his instruction was leaving PG&E employees with no choice but to change the due dates on late tickets without getting agreement from excavators?"⁵⁹¹ She replied,

I think my instruction to him was: Just because you're telling them not to, you're not getting to the root cause, and people are going to continue to do this because they don't have enough manpower to get the work done. So, you know, you can't always get ahold of the contractors, so you're leaving them with no alternative when you say zero is the number.⁵⁹²

Then SED asked, "Leaving them without an option other than changing the due dates on the late tickets without agreement?"⁵⁹³ She replied, "Yeah. I feel like they felt they couldn't get a late ticket and I think that, you know, feeling that way is what caused them to do that."⁵⁹⁴

Then SED asked, "Did you hear PG&E employees who were recording the tickets tell you that they felt like they no option?"⁵⁹⁵ She replied, "Absolutely."⁵⁹⁶ Then SED asked, "And by 'no option,' that means no option but to change the due dates on the late ticket without getting agreement from the excavators?"⁵⁹⁷ ██████████ replied,

Or phase them inappropriately or close them out. It's not always changing the date. It's could be calling them three times and then closing the ticket out without locating it, as no response from excavator, when they should have just gone out and located. There was no reason that they really needed to contact them other than to say, I can't get to it. And then the contractor has to re-call that ticket in, and then they get another 48 hours. So I think there's different ways that that happens besides just changing the date, is all I'm saying. But I don't think it's the locators' fault or the supervisors. It travels downhill from, you know, leadership.⁵⁹⁸

⁵⁹⁰ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 101, lines 8-14.

⁵⁹¹ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 101, lines 15-18.

⁵⁹² See Attachment 56 - Examination Under Oath transcript of ██████████, p. 101, lines 19-25.

⁵⁹³ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 102, lines 1-3.

⁵⁹⁴ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 102, lines 4-6.

⁵⁹⁵ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 102, lines 7-8.

⁵⁹⁶ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 102, line 9.

⁵⁹⁷ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 102, line 10-12.

⁵⁹⁸ See Attachment 56 - Examination Under Oath transcript of ██████████, p. 102, lines 13-25, and p. 103, line 1.

SED asked [REDACTED], "You told [REDACTED] that [REDACTED] instructions was leaving PG&E employees with no choice but to change the due date without agreement from excavators?"⁵⁹⁹ She replied,

What I said was, We're not addressing the root cause. The root cause is that we don't have the manpower and the procedure, you know, doesn't allow for it, and they felt stressed or nervous or, you know, like they couldn't get a late ticket. We talked about that, you know, that this is what's going to happen if we do that and don't provide them with the manpower.⁶⁰⁰

According to [REDACTED] statement above, she mentioned to [REDACTED] about not having the manpower and the procedure. She also told [REDACTED] about employees' stress related to late ticket.

SED showed [REDACTED] USA Ticket #0364841⁶⁰¹ and asked her to determine the timeliness of this ticket.⁶⁰² SED determined this USA ticket to be late and discussed the reasoning in Section VII.B.4 of this report. [REDACTED] said regarding USA Ticket #0364841⁶⁰³,

This is kind of what we were talking about earlier. There was no mutual agreement, it was just somebody went in a ticket and delayed it because somebody probably thought he would be there at 12:54 for some reason. That's the time they delayed it to so that the ticket wouldn't be late.⁶⁰⁴

When SED asked, "So the ticket was late; is that right?"⁶⁰⁵, she replied, "In the eyes of the law, yeah; but not on paper. It's not going to show up as late."⁶⁰⁶

⁵⁹⁹ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 103, lines 23-25, and p. 104, line 1.

⁶⁰⁰ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 104, lines 2-8.

⁶⁰¹ See Figure 5. A copy of USA Ticket #0364841 was included as Exhibit 2 in [REDACTED] Examination Under Oath.

⁶⁰² See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 155-158.

⁶⁰³ See Figure 5. A copy of USA Ticket #0364841 was included as Exhibit 2 in [REDACTED] Examination Under Oath.

⁶⁰⁴ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 158, lines 13-19.

⁶⁰⁵ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 168, line 2.

⁶⁰⁶ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 168, lines 3-4.

I. Examination Under Oath of PG&E's [REDACTED]

SED conducted an Examination Under Oath with [REDACTED] on September 1, 2017 in San Francisco. [REDACTED] was hired as [REDACTED] for PG&E's [REDACTED] in [REDACTED].⁶⁰⁷ During a period of her time in the [REDACTED], [REDACTED] was, as she stated, "[P]ut over the Locate and Mark program and the Survey program"⁶⁰⁸ and her team was, as she stated, "[R]esponsible for going behind – ensuring procedural adherence."⁶⁰⁹ In [REDACTED], [REDACTED] became the [REDACTED] for [REDACTED].⁶¹⁰ In the period of [REDACTED] while [REDACTED], [REDACTED] indicated that [REDACTED].⁶¹¹

SED asked [REDACTED], "At the RCC and QPIC meetings, after the one where you found him off guard, how was he at that point? How was [REDACTED] in terms of his preparation level?"⁶¹² [REDACTED] said,

In the examples that I'm remembering are examples in which, for instance, when he was asked about late tickets, his answer was that we had some junior supervisors who weren't familiar with the process and so he was addressing it and it wouldn't be happening going forward, which from my understanding -- which I knew it wasn't true. That is what I should say. I knew that not to be the driver of late tickets because I had asked my team to sample tickets across the service territory and once he gave that answer I asked -- well, I don't know if it was once he gave that answer. He had given that answer outside of the meeting to me when I had followed up on the late tickets. He said it came back through [REDACTED]

⁶⁰⁷ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 20, lines 10-21.

⁶⁰⁸ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 21, lines 14-15.

⁶⁰⁹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 21, lines 16-17.

⁶¹⁰ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 21, lines 25-28.

⁶¹¹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 27, lines 1-7.

⁶¹² See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 80, lines 9-12. According to p. 65 of [REDACTED]' Examination Under Oath transcript, QPIC stands for Quality and Performance Improvement Committee and RCC stands for Risk and Compliance Committee. According to p. 68 of her Examination Under Oath transcript, [REDACTED] described [REDACTED] reaction after she presented some information in a meeting as she stated that, "He wasn't prepared. He seemed caught off guard."

that [REDACTED] said he believed it was a local issue in a few places and that it wasn't going to happen going forward. And he also gave that answer in QPIC. And in between him -- whatever two weeks or something that had passed, I had had all my specialists pull tickets from every division to show me that it was a problem in every division.⁶¹³

According to [REDACTED] statement above, she knew that the junior supervisors were not the driver of late tickets, and she also found late tickets were a problem in every division. Continuing discussion about late tickets, SED asked, "So the data continued to come in daily, weekly, monthly, about late tickets in every division, right?"⁶¹⁴ She replied,

Late, yes. There may have been --so I should say that the analysis that I had them do was off-line. It wasn't part of our formal assessment plan. So I just said, "Hey, this is the feedback we got from [REDACTED] and I want to confirm if that is in fact the truth and so can you pull it?" So we didn't add that into our -- the ones that we found, we didn't add into our late ticket metric because it wasn't part of our sampling plan. And so that it was information that I then, you know, talked to [REDACTED] about and said: Hey, I think that that's, you know, we saw it more systemically. And so I don't think that that is the driver -- the driver that was cited by [REDACTED]⁶¹⁵

Then SED asked [REDACTED], "Did you -- identifying it to [REDACTED] that there was a systemic concern, do you know if that -- two things -- that was based on an independent analysis you had your staff do, right?"⁶¹⁶ She replied, "Yes."⁶¹⁷ Then SED asked, "And when you reported that to [REDACTED] do you know if that information got back to [REDACTED]?"⁶¹⁸ [REDACTED] said,

So, although I cannot connect the conversations that happened afterwards within a two-week approximately window, there was a conference call held with all of his supervisors, [REDACTED] was the one doing the -- I think [REDACTED] kicked it off and then [REDACTED] did the primary speaking, communicating the message. And they -- [REDACTED] made it clear that regardless of why it was happening, that it was not an acceptable practice to move tickets into different statuses in order to stop them from going late per the way they monitored late tickets, which is a different

⁶¹³ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 80, lines 13-28, and p. 81, lines 1-10.

⁶¹⁴ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 83, lines 19-21.

⁶¹⁵ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 83, lines 22-28, and p.84, lines 1-9.

⁶¹⁶ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 84, lines 10-14.

⁶¹⁷ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 84, line 17.

⁶¹⁸ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 84, lines 18-20.

metric than the way I monitor late tickets and that they were to –the supervisors were to convey that message to their teams. And if the tickets needed to go late, they needed to let them go late. And that was the only way we were going to truly understand if we had the proper resources in place in order to address the tickets in the time frame that was required. So they didn't -- and they invited me, as well as my supervisor, whose name is [REDACTED] my supervisor meaning he worked for me over [REDACTED]. So they invited us both to the call to listen to them communicate that message very clearly.”⁶¹⁹

According to [REDACTED] statement above, [REDACTED] communicated to his supervisors that it was not an acceptable practice to move tickets into different statuses in order to stop them from going late. Also, according to her statement above, there were different metrics or ways to monitor late tickets. Continuing its questions about the “conference call”, SED asked [REDACTED], “Approximately when would that phone call have happened?”⁶²⁰ She replied, “That phone call would have happened approximately I would say May of 2016.”⁶²¹ Then SED asked, “And why was it that there was a message saying that -- to stop changing late tickets so they no longer appeared late?”⁶²² She replied,

I don't know -- I mean I know that we identified it. I know that [REDACTED] had an initial response. I know that [REDACTED] and I had a brief conversation regarding the fact that we see it more broadly in Quality Management than potentially the reason that was given or the driver that was given and that I know within a, you know, two-week, three-week window that suddenly there was this meeting held. But I don't know what happened behind the scenes to drive them to have the meeting.⁶²³

According to [REDACTED] statement above, the message saying to stop changing late tickets so they no longer appeared late was related to what her group identified prior to May of 2016.

[REDACTED] pointed out that [REDACTED] had his own late tickets metric that was separate from hers as she stated,

⁶¹⁹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 84, lines 21-28, and p. 85, lines 1-21.

⁶²⁰ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 89, lines 7-8.

⁶²¹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 89, lines 9-10.

⁶²² See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 89, lines 17-19.

⁶²³ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 89, lines 20-28, and p. 90, lines 1-2.

So -- and you haven't asked me, but I should probably clarify that you know [REDACTED] had a late ticket metric as well. And it was not the same metric that I had, so maybe that's a good point of clarification is because [REDACTED] measured late tickets using irthnet data. And what that meant was any ticket that was not marked within 48 hours.⁶²⁴

Then she added,

So there were a number of statuses that were being used to then -- once you put "inclement weather" or "phasing" it took it off the counter. So no longer was it visible in irthnet as a late ticket. So [REDACTED] just looked at that one [REDACTED] team, how they set their parameters, looked at that one criteria for late tickets. And so he had a late ticket metric maybe that said -- at one point his said six, mine said 15, and the question came: Why do you guys have difference in those?⁶²⁵

According to [REDACTED] statements above, her metric could have 15 late tickets while [REDACTED] late tickets metric said 6 because [REDACTED] team just looked at that one criterion for late tickets. [REDACTED] did not provide detail of how [REDACTED] team set their parameters in IrthNet. SED asked [REDACTED], "I think the difference between your metric and [REDACTED] for late tickets, did you tell [REDACTED] or communicate with him about your metric?"⁶²⁶ She replied, "Oh, yeah. Yes."⁶²⁷ Then SED asked, "So he knew you had a different metric than he did?"⁶²⁸ She replied, "Absolutely. Yeah."⁶²⁹ Then SED asked, "And he chose to keep the one that he was using?"⁶³⁰ She replied, "Yes."⁶³¹ Then SED asked, "Did your metric capture more late tickets than his?"⁶³² She replied, "Yes. And his, the ones he captured were not part of our data set. We didn't like double count them. Once he already identified them as late, we wouldn't go pull a late ticket to assess and double count it."⁶³³ Then SED asked, "So what kinds of late tickets did your metric capture that his didn't?"⁶³⁴ She replied,

⁶²⁴ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 117, lines 3-10.

⁶²⁵ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 119, lines 2-13.

⁶²⁶ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 5-8.

⁶²⁷ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, line 9.

⁶²⁸ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 10-11.

⁶²⁹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, line 12.

⁶³⁰ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 13-14.

⁶³¹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, line 15.

⁶³² See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, line 16-17.

⁶³³ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 125, lines 18-22.

⁶³⁴ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 126, lines 8-9.

All of the late tickets that we captured that his didn't were tickets in which irthnet -- from irthnet's perspective, they were responded to because someone had gone in and in some way manipulated, just meaning not -- by manipulated, I just mean changed, in some way changed the ticket status. And so what -- the late tickets that we captured are the ones wherein which the statuses were changed and didn't and were not -- it wasn't a change that matched the standard procedure of how a ticket should be identified in that. It was moved to a status and a proper -- could have been proper contact not made with the excavator, it could have been it was moved to a status that was inconsistent with the type of ticket it was. But all of that resulted in the fact that from an irthnet perspective, based on the criteria that was set for that report, the report that [REDACTED] pulled for late tickets -- and not meaning [REDACTED] did it himself but an analyst as his representative -- it only looked for tickets in which no one had changed the status and determined if it had met the 48-hour requirement. My team went and did the deeper dive into the statuses of the ticket to determine if the status changes met our company standards and procedures and were aligned with the regulations.”⁶³⁵

According to [REDACTED] statement above, the late tickets that was captured in her metric but not [REDACTED] were tickets that had their status changed but were not changes that matched the standard procedure.

SED asked [REDACTED], “Did you see [REDACTED] use the data that you provided, the additional late ticket data that you provided him? Did he consider that?”⁶³⁶ She replied,

So I believe, well, he considered it in our meeting, and he knew that it was there. But he presented late ticket with his metrics. In these different operational review sessions the late ticket metric he presented was his -- was the one that I referenced that was based on irthnet. And so the metric that [REDACTED] consistently saw was [REDACTED] irthnet late ticket metric. That was the one that he -- there was no -- in the sessions he didn't present his number, and that has a quality management number with it.”⁶³⁷

According to [REDACTED] statement above, [REDACTED] knew about her metrics but he presented late ticket with his metrics, and the metric that [REDACTED] consistently saw was [REDACTED] metric. Then SED asked [REDACTED], “So would [REDACTED] -- did [REDACTED] become aware of the late ticket information that you and your team had come up with?”⁶³⁸ She replied,

⁶³⁵ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 126, lines 10-28, and p. 127, lines 1-14.

⁶³⁶ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 152, lines 3-5.

⁶³⁷ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 152, lines 6-17.

⁶³⁸ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 152, lines 18-20.

So in -- in a meeting with the executives [REDACTED] was presenting his late ticket metric, and I had leaned over to [REDACTED] who is [REDACTED]. And she had made a comment about it being so low given what had been past practice. And I had said that it referenced that it didn't take into account that we had I think at the time like 15. [REDACTED] was presenting 6, and we had 15. And so at the break she asked me to tell her more about it. And I explained to her the difference of the metric. And at a meeting sometime after that, not long after, but I don't remember the exact timeframe, when that -- when the late ticket, no, the 6 was presented to [REDACTED] referenced, how does this relate to [REDACTED] late ticket metric? And at that time the following morning [REDACTED] called at [REDACTED] request my super -- the supervisor that worked for me, [REDACTED], and asked for an urgent -- he works in [REDACTED] -- a 4:30 meeting with [REDACTED] that afternoon. And so [REDACTED] asked that I be invited. And I called [REDACTED] and asked to understand what was prompting it to make sure that we wanted to know what to expect and what we should bring. And so she had explained the context of how it had come up.⁶³⁹

According to [REDACTED] statement above, a meeting with [REDACTED] was arranged after [REDACTED] spoke with [REDACTED] about her late tickets metric. Then [REDACTED] continued to talk about her meeting with [REDACTED],

And we met with [REDACTED] at 4:30 that afternoon, which I believe was -- I believe it was in the month of June last year. And [REDACTED] kicked it off, the meeting off and said that, you know, late tickets are of the utmost importance to him because I think he said four years ago that he was in this campaign basically to get people to call before you dig. And he was doing a lot of communication with the contractor community and that he was asking them to call in, and they said, "Well, you know, you're -- the problem we have is you guys don't come out in time." And he promised them at that time, he made a commitment, "If you call, we will come." And so he has thought, you know, he has been looking at the data, and he sees this really low number, and he thinks that they're doing a fantastic job he said but continues to get feedback that we're not coming out. ⁶⁴⁰

Then [REDACTED] continued,

And he said, and I know the timeline could be better established if I knew when the gas rodeo was, but we have an event where we, you know, have the guys come in from the field, and they execute their work, and we recognize the best, you know, there's teams. So at the same time they were doing the gas rodeo they were doing, which I don't see as separate, but they were doing a Locate and Mark rodeo at the same facility. So [REDACTED] was standing up. I think they were reward --

⁶³⁹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 152, lines 21-28, and p. 153, lines 1-23.

⁶⁴⁰ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 153, lines 24-28, and p. 154, lines 1-18.

or handing out the reward – or awards, and next to him were some GC of our gas general construction crews, and they said they wished that they could get the locaters to show up for their jobs the way they had for the rodeo. And so [REDACTED] said "I want to understand more about this." And so they said, "Well, you know, we call it in, but they don't come out on time, or they delay our jobs." And he's like, I'm listening to this, and he said, it's not making any sense. Like I see 6, you know, and for the year, and how many tickets we've marked. And so he wanted to understand. He's like how – how do -- you know, some of the same questions you guys asked. How do we establish our sample? What does that look like? And we have 15, and they have 6, and are our 15 part of those, you know, are those 6 in our 15?⁶⁴¹

According to [REDACTED] statement above, she heard [REDACTED] saying "late tickets are of the utmost importance" to him and he made a commitment with the contractor community telling them, "If you call, we will come." During [REDACTED] Examination Under Oath, SED asked [REDACTED], "What does PG&E use late ticket counts for?"⁶⁴² He replied,

I focused on dig-in rate as part of my management review and whether it was at Keys or BPR. The late ticket dimension for me would be something that I would glean from a daily ops call and I would use that information to then ask what help do we need in order to be responsive to late tickets.⁶⁴³

According to [REDACTED] statement, his focus as part of his management review was on dig-in rate.

[REDACTED] continued to talk about her meeting with [REDACTED],

My supervisor went in and pulled some current examples, and one of which he happened to pull was one from that was for general construction. So our own crew in which the status had said, you know, something to the effect that we couldn't get ahold of the excavator, which is bad if it's our own company, doesn't really hold true. So he had three to five examples all highlighted. Walked him through how we look at the case. I mean it was very – [REDACTED] wants the detail, and he wants to make sure that he's not -- that he has all his facts straight before he tackles it. So he wanted to know exactly how, what fields and how we looked at it and how we came to that conclusion. And you know, he was very frustrated. He -- not with us at all. He's just like "I want you to put yours on his metric." And I said, well, I don't think that -- you know. I mean I think it could be presented

⁶⁴¹ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 154, lines 18-28, and p. 155, lines 1.

⁶⁴² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 68, lines 21-22.

⁶⁴³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 68, lines 23-28, and p. 69, line 1.

together, but I think we should keep them separate because I think there's value in understanding what we identify doing the analysis versus what is automatic in the tool."⁶⁴⁴

According to [REDACTED] statement above, [REDACTED] was frustrated regarding the examples her team brought to his attention, and she heard him saying "I want you to put yours on his metric." According to [REDACTED], [REDACTED] wanted to talk to [REDACTED] about this as [REDACTED] stated below when she continued to talk about her meeting with [REDACTED]

And so anyway, he said that he wanted to take it and pack it up, you know, talk to [REDACTED] about it. And so you know, he assured us that he was going to, you know, carry it forward and get to the bottom of it and understand. And so maybe two days later I was in an executive meeting. It ended, and [REDACTED] said to me, [REDACTED] he said, "Hey, [REDACTED], do you have some time?" I said sure. And he said, "I want to talk about these, you know, tickets that [REDACTED] gave me." And I kind of smiled, you know. And he's like -- I said yeah. He goes, "Oh, were you in that meeting?" I said, "Yeah, I was." And he said, "Well, can you give me a little bit more information so I can get an understanding of the tickets and how you measure it?" So I spent some time walking him through it. And he said he was going to talk to [REDACTED] about it. And there was no --he didn't, you know, he wasn't upset with me or he didn't express. And was he like, "No thanks. This is great." I mean. You know, is this something that [REDACTED] -- he asked, something that [REDACTED] is familiar with it? Has he seen this information?" ⁶⁴⁵

She continued,

So I kind of -- I walked through kind of the sequence of events that we had talked about earlier about how we had brought forward the late tickets. And then, you know, [REDACTED] had sort responded. It was a local issue how we'd shared that we could find it throughout the system. How they then had a conference call with a larger group. And anyway [REDACTED] said he was going to talk to [REDACTED]. He just wanted to make sure that we had shared it and before the conversation with [REDACTED]. So anyway, that was the conversation that I had. And I don't know what happened after that. I wasn't part of any discussion.⁶⁴⁶

⁶⁴⁴ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 155, lines 24-28, and p. 156, lines 1-21.

⁶⁴⁵ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 156, lines 22-28, and p. 157, lines 1-20.

⁶⁴⁶ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 157, lines 21-28 and p. 158, lines 1-7.

SED also asked [REDACTED] about QA's examples of ticket that should have been counted as late but showed as on-time.⁶⁴⁷ He said, "I went to the [REDACTED] at the time, [REDACTED], and asked him specifically to meet with the QA team."⁶⁴⁸ SED asked him, "Okay. And did you talk with [REDACTED] about what he heard from the QA team?"⁶⁴⁹ [REDACTED] replied, "I did not."⁶⁵⁰ Then SED asked, "Okay. Why not?"⁶⁵¹ [REDACTED] replied, [REDACTED] It was not something that I was shocked or stunned."⁶⁵²

According to [REDACTED]'s statement above, [REDACTED] was frustrated, and he assured them that he was going to "carry it forward and get to the bottom of it." However, based on [REDACTED] responses to SED's questions above, he did not talk to [REDACTED] about what he heard from the QA team after asking [REDACTED] to meet with them because "[i]t was not something that he was shocked or stunned".

SED asked [REDACTED], "I wanted to ask you if you -- just generally speaking, if there's anything more that just in the locating work, the context of the locating work, any other communications that raised concerns for you?"⁶⁵³ [REDACTED] replied,

I will say that after the conference call that [REDACTED] and [REDACTED] held to reset expectations around making -- discontinuing the practice, right, of moving tickets to prevent them from going late, that within a week or two of that call one of the supervisors had asked, because I told -- I had made it clear to Locate and Mark supervisors that if ever they felt like they had a question about a finding and that they wanted -- they didn't feel like they were making progress with the supervisor, they were always welcome to call me. ⁶⁵⁴

She continued,

And so although I don't remember his name, I know it was a -- I know it was a man, one of the male supervisors. He had called me just to talk about -- and it

⁶⁴⁷ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 90-94.

⁶⁴⁸ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 14-17.

⁶⁴⁹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 22-23.

⁶⁵⁰ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, line 24.

⁶⁵¹ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, line 25.

⁶⁵² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94, lines 26-28.

⁶⁵³ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 163, lines 20-25.

⁶⁵⁴ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 163, lines 26-28, and p. 164, lines 1-10.

might have been a positive contact. He might have just called to tell me that the specialist was doing well. But as a part of that conversation he thanked me for pushing back on late ticket issue. And he said that he felt the call was a direct result of me driving the results and keeping, you know, them out in front of them, of [REDACTED] and [REDACTED] and that they had felt a lot, and then they, and I took it to mean that he was talking about the leadership, the supervisors, that for a long time that they felt like that was not right, and they shouldn't be doing it, but they didn't feel like they had anywhere to go. Like they didn't know who to tell.⁶⁵⁵

Then [REDACTED] continued,

And subsequently I spoke with [REDACTED], who is the supervisor, and said that one of the supervisors had called and thanked me. And he said that he wasn't surprised because he had heard that [REDACTED] had personally called them, the supervisors, and threatened that if they let ticket go late that they would be terminated. And so there was this really high level of fear in the groups within the teams that they would not let tickets go late.⁶⁵⁶

According to [REDACTED] statement above, [REDACTED] had heard that [REDACTED] had personally called the supervisors and threatened that they would be terminated if they let tickets go late.

J. Examination Under Oath of PG&E's [REDACTED]

SED conducted an Examination Under Oath with [REDACTED] on June 21, 2017 in San Francisco. As the [REDACTED] for PG&E's Locate and Mark Department [REDACTED], [REDACTED] duties included [REDACTED] [REDACTED]⁶⁵⁷.

⁶⁵⁵ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 164, lines 11-28, and p. 165, line 1.

⁶⁵⁶ See Attachment 52 - Examination Under Oath transcript of [REDACTED], p. 165, lines 2-12.

⁶⁵⁷ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 24-25. [REDACTED] described Irth Solutions as the third party company and UtiliSphere is the specific application. IrthNet is one of the versions of UtiliSphere and it is a ticket management software allowing PG&E to receive tickets, assign them appropriately based off geographical locations, and facilitates positive response between PG&E and excavators.

SED asked [REDACTED], "What are the examples, in your experience, of tickets that you've seen that are shown -- were shown to not be late when in fact the ticket was late?"⁶⁵⁸ [REDACTED]

[REDACTED] described examples of three different ways this occurred, as shown below.

Example One:

[REDACTED] noted, "If somebody phased it unnecessarily, say it's a single service to an address, rather than, you know, a block job, and they phase that before the ticket was due."⁶⁵⁹

Example Two:

[REDACTED] noted, "Renegotiating a ticket unilaterally, renegotiating a start time unilaterally"⁶⁶⁰ and by unilaterally, he meant, "I would say by leaving a voice message saying they were going to have to push out the work start time without a mutually agreed upon time with the excavator."⁶⁶¹

Example Three:

[REDACTED] last examples had to do with inclement weather:

The only other one that comes to mind would be inclement weather. If it was used when it was raining, and then it stopped raining, and they put inclement weather. Because you can't put paint down on the ground when it's wet, but if it was say a break in the rain and they responded as inclement weather.⁶⁶²

[REDACTED] also stated that, "they [PG&E] would have to, after the rain has let up, you would have to renegotiate that start time."⁶⁶³ He added, "A phone call to the excavator explaining you couldn't mark because of the rain, and when you could be out there next."⁶⁶⁴

SED asked [REDACTED],

You mentioned supervisors would get notified. Do you know if supervisors, superintendents, directors, executives, were made aware of this -- I'm going to use the word practice, and you tell me if that's inaccurate, but this -- it's for lack of a

⁶⁵⁸ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 31, lines 16-19.

⁶⁵⁹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 32, lines 5-8.

⁶⁶⁰ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 32, lines 12-13.

⁶⁶¹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 32, lines 15-17.

⁶⁶² See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 33, lines 3-8.

⁶⁶³ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 33, lines 23-24.

⁶⁶⁴ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 34, lines 1-3.

better word, but this way of changing a ticket to phased so that it didn't show as being late?⁶⁶⁵

replied, "Yes."⁶⁶⁶ Then SED asked, "Which? Which of those?"⁶⁶⁷

replied,

So supervisors would know based off of QA findings. Superintendents would know, I think, based off of the communication from the supervisor. I want to say yes. Once it had become an issue where we had seen multiple instances of it, would have been notified.⁶⁶⁸

According to statement above, , superintendents, and supervisors would know, based off of QA findings, about the way of changing a ticket to phased so that it did not show as being late.

SED asked , "Do you know why there was a need to report a late ticket each day starting the beginning of January 2016?"⁶⁶⁹ He said, "I do know, yes."⁶⁷⁰ Then SED asked, "Why is that?"⁶⁷¹ He said,

They created -- when I say 'they' -- so after we identified the issue, late tickets and trying to get that under control, established a late ticket war room, so to speak, which basically had me figure out a way to report daily out by division how many late tickets were in the system for that division, and then brainstorming on how to combat that, which I then came up with the late ticket notification via email in UtiliSphere.⁶⁷²

Then SED asked, "The war room was -- the purpose of the war room was to reduce --or combat, I think, was the word you used."⁶⁷³ He said, "Yes."⁶⁷⁴ Then SED asked, "-- the total

⁶⁶⁵ See Attachment 57 - Examination Under Oath transcript of , p. 39, lines 11-17.

⁶⁶⁶ See Attachment 57 - Examination Under Oath transcript of , p. 39, line 18.

⁶⁶⁷ See Attachment 57 - Examination Under Oath transcript of , p. 39, line 19.

⁶⁶⁸ See Attachment 57 - Examination Under Oath transcript of , p. 39, lines 20-25.

⁶⁶⁹ See Attachment 57 - Examination Under Oath transcript of , p. 62, lines 24-25, and p. 63, line 1.

⁶⁷⁰ See Attachment 57 - Examination Under Oath transcript of , p. 63, line 2.

⁶⁷¹ See Attachment 57 - Examination Under Oath transcript of , p. 63, line 3.

⁶⁷² See Attachment 57 - Examination Under Oath transcript of , p. 63, lines 4-12.

⁶⁷³ See Attachment 57 - Examination Under Oath transcript of , p. 63, lines 13-15.

⁶⁷⁴ See Attachment 57 - Examination Under Oath transcript of , p. 63, line 16.

number of late tickets?”⁶⁷⁵ He said, “Correct.”⁶⁷⁶ Then SED asked, “And when did the war room start?”⁶⁷⁷ He said, “January of 2016.”⁶⁷⁸ Then SED asked, “Whose idea was it to have the war room?”⁶⁷⁹ He said, “That was [REDACTED].”⁶⁸⁰ Then SED asked, “And just think about your -- your experience being in the war room for a moment, how long was the war room in place?”⁶⁸¹ He said, “From start to finish I'm going to say three full months.”⁶⁸² Then SED asked, “Can you describe the war room to me?”⁶⁸³ He said, “It was just a conference room at Bishop Ranch and gas headquarters for PG&E.”⁶⁸⁴ Then SED asked, “And did the war room serve any other purpose other than combating late tickets?”⁶⁸⁵ He said, “No.”⁶⁸⁶

Continued with the discussion about the “war room” with [REDACTED], SED said, “So in order to combat the late tickets, as you mentioned.”⁶⁸⁷ Then SED asked, “What would you do?”⁶⁸⁸ He replied,

So part of my time there was spent on thinking of ways to help mitigate the issue. I set every locator up with a late ticket notification email that was set to email them when a ticket came within, and I think we decided one hour. It would be different, I guess, for different areas. Some people requested two hours before a ticket came due to receive an email notification.⁶⁸⁹

⁶⁷⁵ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 63, line 17.

⁶⁷⁶ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 63, line 18.

⁶⁷⁷ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 63, line 19.

⁶⁷⁸ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 63, line 20.

⁶⁷⁹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 63, line 24.

⁶⁸⁰ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 63, line 25.

⁶⁸¹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 64, lines 5-7.

⁶⁸² See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 64, lines 8-9.

⁶⁸³ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 64, line 14.

⁶⁸⁴ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 64, lines 15-16.

⁶⁸⁵ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 64, lines 17-18.

⁶⁸⁶ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 64, line 19.

⁶⁸⁷ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 66, lines 1-2.

⁶⁸⁸ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 66, line 4.

⁶⁸⁹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 66, lines 5-12.

SED asked, "And was that a part of what the war room did was to reach out to excavators in the case of tickets that were about to become late?"⁶⁹⁰ [REDACTED] said, "Correct."⁶⁹¹ Then SED asked, "And would -- would all the excavators be -- were all the excavators reached?"⁶⁹² He said, "Not always. And so -- and I can only speak for myself, I'm really the only one that was doing that, I would -- if I couldn't reach an excavator, I would notify the supervisor for that area's ticket."⁶⁹³ He added, "And have them reach out, continue to reach out to the excavator."⁶⁹⁴ SED asked, "Were any due dates changed on the tickets without getting agreement to change them from the excavator?"⁶⁹⁵ He said, "I would have to say yes on that. I myself personally have renegotiated tickets based off a conversation with the supervisor who spoke with the excavator."⁶⁹⁶ According to [REDACTED] statements, he had changed due dates on tickets without getting agreement to change them from the excavators, and claimed that they were "based off a conversations he had with supervisors who spoke with the excavator."⁶⁹⁷

SED asked [REDACTED], "Were you left with instructions that left you no choice but to record late tickets without getting agreement from excavators to do that?"⁶⁹⁸ He replied, "Yes. In the instance that I had previously stated where it was through another party, either a clerical or supervisor who had a conversation."⁶⁹⁹

SED showed [REDACTED] USA Ticket #W612000634⁷⁰⁰ (Figure 7) and asked him questions related to the information in the ticket. Regarding "voicemail" showing as the

⁶⁹⁰ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 68, lines 22-24.

⁶⁹¹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 68, line 25.

⁶⁹² See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 69, lines 1-2.

⁶⁹³ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 69, lines 3-6.

⁶⁹⁴ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 69, lines 8-9.

⁶⁹⁵ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 69, lines 18-20.

⁶⁹⁶ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 69, lines 21-24.

⁶⁹⁷ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 69, lines 22-24.

⁶⁹⁸ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 70, line 25, and p. 71, lines 1-2.

⁶⁹⁹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 71, lines 3-5.

⁷⁰⁰ See Figure 7. A copy of USA Ticket #W612000634 was included as Exhibit 2 in [REDACTED] Examination Under Oath.

“method of contact” in the ticket under the “Notification of New Start Time” response, SED asked [REDACTED],

And then moving on, the voicemail, the method of contact voicemail, just to clarify on page 3, so as I understood off the record, the method of contact voicemail was left by the locator for the excavator, and that means the locator dictated a new start time of May 3rd at 6:48 a.m. without getting agreement from the excavator. Am I right on that?⁷⁰¹

[REDACTED] replied, “We’re speculating at that point in time. The notes does not state a previous discussion or anything like that, but only with what we have here to go off of I would say yes, it was a unilateral dictated start time.”⁷⁰² SED showed [REDACTED] another USA ticket W612001130⁷⁰³ (Figure 8) and asked him questions related to the information on the ticket. Regarding “voicemail”, SED asked, “So is this another instance of inputting that a voicemail was left and a new date was negotiated, but in fact the excavator did not agree to change the due date?”⁷⁰⁴ He replied, “It’s what this appears, yes.”⁷⁰⁵

SED asked [REDACTED], “Were you in any way pressured, did you receive any pressure from anyone within PG&E to not have late tickets?”⁷⁰⁶ He said, “Yes.”⁷⁰⁷ SED asked, “How so?”⁷⁰⁸ He replied,

The directive was zero is the only number and driving to that goal. When we first looked at it in 2015 when the late tickets were, you know, much higher in volume, it was originally communicated to us that we were going to drive a, what was it, 10 percent reduction in the number, and then instantly a month later was zero is the only number.⁷⁰⁹

⁷⁰¹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 96, lines 2-8.

⁷⁰² See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 96, lines 9-13.

⁷⁰³ See Figure 8. A copy of USA Ticket #W612001130 was included as Exhibit 3 in [REDACTED] Examination Under Oath.

⁷⁰⁴ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 100, lines 18-21.

⁷⁰⁵ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 100, line 22.

⁷⁰⁶ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 130, lines 16-18.

⁷⁰⁷ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 130, line 19.

⁷⁰⁸ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 130, line 20.

⁷⁰⁹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 130, lines 21-25, and p. 131, lines 1-2.

SED asked [REDACTED], "Could you realistically given what you have seen with the late tickets coming in, was that doable to achieve the goal of no late tickets?"⁷¹⁰ He replied, "In my personal opinion, no, at the time because of the levels we were staffed at."⁷¹¹ Then SED asked, "And when you say the levels you were 'staffed at' at the time, you mean there weren't enough PG&E personnel or contractors to handle locating and marking?"⁷¹² He said, "That is correct."⁷¹³ Then SED asked, "And why is that your personal opinion?"⁷¹⁴ He explained,

The ticket volume had grown year over year from [REDACTED], fold over fold, you know, operating with the same -- you know, we had been promoting 811, all the ads, billboards, stickers, everything. We got a lot more tickets called in each year, but operating with the same amount of people that we had back at the lower ticket volumes.⁷¹⁵

According to [REDACTED] statements above, PG&E's ticket volume has increased over the years and there were not enough PG&E personnel or contractors to handle locating and marking.

SED asked [REDACTED], "Were there any instructions within PG&E that would leave someone with no choice but to change the due dates on a ticket without getting the agreement from the excavator to do that?"⁷¹⁶ He said, "I would say no, there were no instructions from PG&E to do that, but yes, there was pressure to do it that I could see that would lead to them utilizing what means were available to them to do it."⁷¹⁷ Then SED asked, "And what kind of pressure?"⁷¹⁸ He replied,

Pressure to lose their job, be fired, be reprimanded, it gets to that point. It was a pretty heavy thing that was laid down from supervisors, and they just reiterated

⁷¹⁰ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 131, lines 9-11.

⁷¹¹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 131, lines 12-13.

⁷¹² See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 131, lines 14-16.

⁷¹³ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 131, line 17.

⁷¹⁴ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 131, line 18.

⁷¹⁵ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 131, lines 19-25.

⁷¹⁶ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 159, lines 17-20.

⁷¹⁷ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 159, lines 21-24.

⁷¹⁸ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 159, line 25.

and hammered to the locators we don't want to get any late tickets, we don't want to be on that report, we don't want to be on that report in the morning.⁷¹⁹

K. Examination Under Oath of PG&E's [REDACTED]

SED conducted an Examination Under Oath with [REDACTED] on June 20, 2017 in San Francisco. As the [REDACTED] of PG&E's Damage Prevention department [REDACTED], [REDACTED] duties included [REDACTED] and covering for [REDACTED] when he was on vacation.⁷²⁰

[REDACTED] said that her role during the time covered for [REDACTED] was to try to prevent late tickets from occurring as she stated, "To basically monitor late tickets to try to prevent late tickets from occurring. Generate a late ticket report. I would also help locators if they were having issues in UtiliSphere."⁷²¹ SED asked [REDACTED] if a ticket became late when a locator could not come out within the required two days and also could not reach the excavator,⁷²² [REDACTED] replied, "It depends how that ticket is processed. If the ticket is processed -- if there's some kind of response put in that ticket it's not counted as late."⁷²³ According to [REDACTED] statement, if there is some kind of response put in a ticket, it would not be counted as late. SED showed [REDACTED] USA Ticket #W612000634⁷²⁴ (Figure 7) and asked her about this ticket, "So is it possible to negotiate a new start date and time with an excavator by leaving a

⁷¹⁹ See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 160, lines 6-12.

⁷²⁰ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 17, lines 16-23.

⁷²¹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 19, lines 17-20. On p. 20-21, [REDACTED] described UtiliSphere as, "When a contractor calls in a ticket to USA North it gets sent to UtiliSphere IRTNet, and that's where our PG&E internal employees are able to view those tickets and work them."

⁷²² See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 39, lines 23-25, and p. 40, lines 1-8.

⁷²³ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 40, lines 11-13.

⁷²⁴ See Figure 7. A copy of USA Ticket #W612000634 was included as Exhibit 2 in [REDACTED] Examination Under Oath.

voicemail?"⁷²⁵ She replied, "No"⁷²⁶ Then SED asked, "So why would the ticket reflect that then?"⁷²⁷ She replied,

That's the way they did it so the ticket wasn't late, but you can't negotiate by leaving a voicemail. But as I said previously, you can still put this response in the ticket without actually speaking to the contractor. Not that that's the way you should negotiate a new start time, but that is the way you can respond to -- that's the way sometimes it's done so that a ticket's not late.⁷²⁸

SED asked [REDACTED], "Are you aware of other examples of tickets that have similar features to the ones we've just recounted in Exhibits 2, 3 and 4?"⁷²⁹ She replied, "Yes."⁷³⁰ Then SED asked, "And by having similar features that they would have, the method of contact would have been shown as leaving a voice message and then also being shown as renegotiated due date?"⁷³¹ She replied, "Yes."⁷³² When SED asked, "Do you have an idea how many times you've seen it happen where the due date was rescheduled without getting agreement from the excavator first?"⁷³³, she replied, "Personally I've only seen that happen probably about five times."⁷³⁴ One occurred during the time she was training with [REDACTED] as she stated, "Well, one, when I was training with [REDACTED] we were instructed that we need to have no late tickets, and so -- sorry."⁷³⁵ Then she continued, "So we would reach out to the supervisor, the

⁷²⁵ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 48, lines 3-4.

⁷²⁶ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 48, line 5.

⁷²⁷ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 48, line 6.

⁷²⁸ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 48, lines 7-14.

⁷²⁹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 59, lines 19-21. Exhibit 2 in [REDACTED] Examination Under Oath is USA ticket #W612000634 (Figure 7 in this report). Exhibit 3 in [REDACTED] Examination Under Oath is USA ticket #W612001130 (Figure 8 in this report). Exhibit 4 in [REDACTED] Examination Under Oath is USA ticket #0364841 (Figure 5 in this report).

⁷³⁰ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 59, line 22.

⁷³¹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 59, lines 23-25, and p. 60, line 1.

⁷³² See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 60, line 2.

⁷³³ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 62, line 25, and p. 63, lines 1-2.

⁷³⁴ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 63, lines 3-4.

⁷³⁵ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 63, lines 6-8.

senior locator, and if a ticket was coming due within a couple of minutes, a response was put there to stop the ticket from showing up late.”⁷³⁶

According to [REDACTED], she had three late tickets during her time covering for [REDACTED] and she recalled that it was a big deal each time there was a late ticket as she stated,

[A]ny time there was a late ticket there was a big deal where it had to go all the way up to him, and when I was covering I've had, I believe, three late tickets, and so I received a call from my manager, [REDACTED], because he got a call from [REDACTED].⁷³⁷

SED asked, “And what -- in those instances where you had a late ticket and you received a call from [REDACTED], what did he tell you?”⁷³⁸ [REDACTED] said,

He said that basically it made us look bad because we're covering that desk, and prior there were late tickets, and he didn't really understand the process because he's not really involved in locate and mark, so I let him know why I had those late tickets because there was certain things being done that I didn't feel comfortable, so I refused to put a note in the ticket when I saw it coming due, and so he didn't realize that that was taking place, so from my understanding he went and told [REDACTED] what the situation was.⁷³⁹

Then SED asked, “Okay. And you said you refused to put late tickets, you refused to not identify late tickets when they came in, did I get that right?”⁷⁴⁰ [REDACTED] replied,

Yeah. So I would do steps as far as contacting the locate and mark supervisor and trying to get a hold of the senior locator to have them respond to a ticket, but I wasn't going to put a note in the ticket to prevent it from coming late if I didn't really call the contractor. So that's why they ended up coming late.⁷⁴¹

SED asked [REDACTED], “Other than instructions, did you feel any pressure from anyone in PG&E in any way to not have late tickets?”⁷⁴² She said,

Yes. Even though [REDACTED] didn't directly speak to me I knew that it was -- if I had late tickets while I was covering I felt like it looked bad on me like I wasn't doing

⁷³⁶ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 63, lines 10-13.

⁷³⁷ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 65, lines 7-12.

⁷³⁸ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 65, lines 19-21.

⁷³⁹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 65, lines 22-25, and p. 66, lines 1-7.

⁷⁴⁰ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 66, lines 8-10.

⁷⁴¹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 66, lines 11-17.

⁷⁴² See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 67, lines 18-20.

my job properly. He never directly spoke to me, but there was just so much focus on all the tickets being responded to on time.⁷⁴³

SED asked [REDACTED], "Were there any instructions that left others with no choice but to falsify tickets?"⁷⁴⁴ She replied,

I believe that there's so much pressure on them to not have late tickets that some of them feel that there's no choice. But I don't know if -- I've never heard anybody tell them that there's going to be consequences if they had late tickets, and therefore they falsified records. I just have seen the pressure put on locators and the supervisors and then [REDACTED] who handles UtiliSphere.⁷⁴⁵

The SED asked, "And you've seen the pressure put on how, how was the pressure put on?"⁷⁴⁶ She said,

Like I said, I was talking about that big board room, and [REDACTED] would come in to make sure we had no late tickets, we had to do report put outs. Just speaking with my husband, knowing that he feels pressure to have all the tickets in his folder located on time, even though it's very difficult because the amount of tickets, and it's only so many people handling them, it just -- it looks bad on that supervisor, on that locator if there's late tickets.⁷⁴⁷

[REDACTED], is a locator.⁷⁴⁸ Based on [REDACTED] statement above, she has direct knowledge of locators' pressure to have all the tickets located on time.

SED asked [REDACTED], "And what did [REDACTED] say when you told him you would not falsify locate and mark tickets?"⁷⁴⁹ She replied, "He said, yeah, don't do that. He didn't know that was going on, and he took that knowledge to [REDACTED]"⁷⁵⁰ Then SED asked, "Did he take that knowledge to [REDACTED]"⁷⁵¹ [REDACTED] said, "I don't know. I believe he did. Just basically to explain why I had late tickets while I was covering. I don't know what the conversation was

⁷⁴³ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 67, lines 21-25, and p. 68, line 1.

⁷⁴⁴ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 88, lines 15-16.

⁷⁴⁵ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 88, lines 17-24.

⁷⁴⁶ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 88, line 25, and p. 89, line 1.

⁷⁴⁷ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 89, lines 2-10.

⁷⁴⁸ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 70, lines 1-2.

⁷⁴⁹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, lines 9-10.

⁷⁵⁰ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, lines 11-12.

⁷⁵¹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, line 13.

though.”⁷⁵² Then SED asked her, “And approximately when was that that you had that conversation with [REDACTED]?”⁷⁵³ She replied, “I believe that was in April of 2016.”⁷⁵⁴ Then SED asked, “Did you see any changes regarding the pressure that you talked about earlier, after your conversation, on yourself or others to -- that we talked about leaving others with no choice but to falsify locate and mark records?”⁷⁵⁵ She replied, “There was still pressure to have no late tickets, but I did notice when I covered in [REDACTED], I had more late tickets, and I didn't get that phone call.”⁷⁵⁶

SED asked [REDACTED], “Are you aware of others who falsified locate and mark records?”⁷⁵⁷ She said, “Yes.”⁷⁵⁸ Then SED asked, “Who else?”⁷⁵⁹ She said, “Well, I just reviewed tickets where it was responded to as a phase ticket.”⁷⁶⁰ Then she added, “Knowing that it was a way of getting a response in there so the ticket wasn't late, and also speaking to my husband I was informing him, you know, don't do that.”⁷⁶¹ [REDACTED] continued, “And then he let me know that when he was hired on I believe that was his instruction from his leadership to put in that response.”⁷⁶²

L. SED Preliminary Investigation Timeline

Beginning in 2016 and continuing through mid-2017, SED received notification and learned that PG&E had possibly falsified its records related to its compliance with the Damage Prevention Program required under Title 49 Code of Federal Regulations Section 192.614, and SED initiated a preliminary investigation into the Operations and Practices of PG&E's Damage

⁷⁵² See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, lines 14-17.

⁷⁵³ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, lines 18-19.

⁷⁵⁴ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, line 20.

⁷⁵⁵ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 100, lines 21-25.

⁷⁵⁶ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 101, lines 1-4.

⁷⁵⁷ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104, lines 12-13.

⁷⁵⁸ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104, line 14.

⁷⁵⁹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104, line 15.

⁷⁶⁰ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104, lines 16-17.

⁷⁶¹ See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104, lines 19-22.

⁷⁶² See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104, lines 24-25, and p. 105, line 1.

Prevention and Locate and Mark program. Table 3 highlights the significant events that have occurred throughout this preliminary investigation and it consists of the following kinds of events:

- SED requesting information or submitting Data Requests
- PG&E providing information or responses to Data Requests
- SED and PG&E meetings
- Examinations Under Oath

SED requested PG&E's late tickets counts on a few separate occasions. The earliest request was a data request (PG&E Index 9623.3) dated June 8, 2016.⁷⁶³ In response to this data request (PG&E Index 9623.3), on September 28, 2016, PG&E provided its annual on-time and late tickets counts during the period of January 2014 to June 2016.⁷⁶⁴ This was the first time PG&E provided under-counted late tickets amounts to SED for this preliminary investigation. On December 1, 2016, PG&E provided its 2013 on-time and late tickets counts⁷⁶⁵, which was the remaining portion of its response to data request (PG&E Index 9623.3). These late tickets numbers were also undercounted. See Table 1 for annual late tickets counts that were reported to SED at different times throughout the preliminary investigation.

⁷⁶³ SED Data Request (PG&E Index 9623.03) asked for the following:

Starting from January 2013 till this date, for each month please provide the number of USA tickets that were:

- a) completed within two working days (upon receipt of notification) as outlined in California Government Code 4216
- b) completed after two working days of the receipt of notification but before the start of the excavation work still satisfying the requirements of California Government Code 4216
- c) completed within an mutually agreed rescheduled time (which does not meet requirements as in (a) and (b) above) with positive confirmation from the contractor
- d) completed late (not meeting requirements as in (a) and (b) above) without positively agreed and confirmed rescheduled time with the contractor
- e) never completed
- f) cancelled

⁷⁶⁴ See Attachment 14 - Index 9623.03 2014 to June 2016 PG&E On-Time and Late Tickets Count.

⁷⁶⁵ See Attachment 15 - Index 9623.03 2013 PG&E On-Time and Late Tickets Count.

SED met with PG&E three times (December 1, 2016, February 17, 2017, and March 15, 2017) for this preliminary investigation before March 24, 2017, the date that PG&E submitted another group of under-counted late tickets amounts as part of its response to data request (PG&E Index 10658.02).⁷⁶⁶ During the December 1, 2016 meeting, there were discussion of how to find late tickets in PG&E's system and what the ticket renegotiation process is. During the other two meetings, on February 17, 2017 and March 15, 2017, SED reviewed a number of USA tickets with PG&E's Locate and Mark superintendents and personnel, and SED pointed out to PG&E that several of its tickets shown as on-time and "renegotiated"⁷⁶⁷ were in fact late because the supporting document did not show proper rescheduling of new due dates and times. Even though SED shared some of its findings with PG&E about some of its locators' improper rescheduling methods, PG&E continued to provide under-counted late tickets amounts to SED on March 24, 2017. In this response, PG&E claimed that the successful reductions of number of late tickets to 3,385 in 2015 and 44 in 2016 were attributed to PG&E's aggressive effort to reduce late tickets by establishing a zero late tickets goal and taking actions to achieve that goal as stated by PG&E:

In 2015, all L&M supervisors were in place and goals were set to aggressively reduce late tickets. PG&E established a zero late tickets goal and undertook several actions to ensure this took place,

- Looking at best practices within successful divisions and communicating these practices system wide.
- Supervisors taking a direct, hands-on approach to educate the locators regarding accurate and timely data entry into Irthnet and ensuring late tickets were appropriately addressed.

Late tickets were virtually eliminated by mid-2015 and have remained low ever since. See the below table for 2015 L&M late ticket statistics...

In 2016, PG&E continued the actions set in place in 2015. With zero late tickets

⁷⁶⁶ See Attachment 16 - PG&E's response (Index 10658). SED Data Request (PG&E Index 10658.02) asked for the following:

For the following years (please provide response for each year separately), please provide steps and actions taken to reduce the number of late tickets together with the statistics reflecting total number of USA tickets and corresponding late tickets: (a)2013 (b)2014 (c)2015 (d)2016

⁷⁶⁷ According to PG&E's data request response (PG&E Index 10516.01) dated February 7, 2017, PG&E defines a "renegotiated ticket" as "a ticket where the locator and the excavator mutually agree on a new start date and time to complete a ticket because of relevant issues not related to the excavation size (as that would be included in the phased ticket process)."

realized in several divisions, each late ticket was analyzed for root cause, and corrective actions were taken to ensure that a recurrence would not happen.⁷⁶⁸

SED submitted two more data requests, on March 27, 2017 and May 23, 2017, after getting the under-stated late tickets count from PG&E on March 24, 2017. In the data request dated March 27, 2017 (PG&E Index 10707.08), SED asked for a breakdown of the late tickets counts.⁷⁶⁹ In the data request dated May 23, 2017 (PG&E Index 10895.01), SED asked for PG&E's logic in querying on-time and late tickets.⁷⁷⁰ Finally, on June 6, 2017, PG&E revealed, in its data request response 10707.08 Supp02, to SED that its Quality Management team had findings identifying USA ticket responses that were not handled in accordance with PG&E procedures.⁷⁷¹ As a result, a number of late tickets were excluded from the late ticket counts

⁷⁶⁸ See Attachment 16 - PG&E's response (Index 10658), p. 3.

⁷⁶⁹ SED Data Request (PG&E Index 10707.08) asked for the following:

Please provide the following information regarding PG&E's IRTNet database in another spreadsheet organized in a similar fashion to the spreadsheet requested in questions 1 and 6 above. Specifically, for each question, provide a breakdown of entries by month, starting with January, 2012 and ending in February, 2017.

- a. Please provide the total number of late tickets for each division beginning in January, 2012 and ending in February, 2017.
- b. Please provide the total number of late tickets for each district beginning in January, 2012 and ending in February, 2017.

⁷⁷⁰ SED Data Request (PG&E Index 10895.01) asked for the following:

PG&E provided attachment "Index 9623.03_2014-June 2016 On-Time or Late Ticket Count.xlsx" that shows the counts of on-time and late tickets from 2014 to June 2016. Please explain how PG&E distinguish or identify on-time and late tickets for the counts in the report. In another word, how did PG&E query for the on-time and late tickets?

⁷⁷¹ See Attachment 2 - PG&E's response (Index 10707.08 Supp02), p. 2. PG&E's Quality Management team identified these USA ticket responses that were not handled in accordance with PG&E procedures:

- "Left message with excavator but no verbal discussion": A message regarding a renegotiated start time was left for the excavator; however, the locator did not speak to them directly about renegotiating a new start time.
- "Did not call to inform excavator": The locator did not contact the excavator to renegotiate the ticket; however, a response was issued that closed the ticket on-time.
- "Inclement weather": The locator was unable to locate and mark facilities due to weather, but failed to renegotiate the ticket with the excavator prior to selecting the "inclement weather" status in IRTNet.
- "Phased a single address ticket": Phasing a ticket for a large excavator project is acceptable as long as the locator works with the excavator to properly schedule an appropriate locate scope and frequency for the large project; however, locators should not phase a ticket involving a single address as that would not constitute a large project.

previously provided to SED on April 19, 2017 (PG&E Index 10707.08) and May 22, 2017 (PG&E Index 10707.08 Supp01).⁷⁷² This was the first time PG&E communicated to SED about its QM findings despite a number of data requests and meetings where SED asked about late ticket data. As part of this response, PG&E also provided a new set of late tickets data produced by the QM organization (Figure 10 and Table 1).

The data request response PG&E Index 10707.08 Supp02 along with the new set of PG&E self-reported late ticket data was provided to SED about two weeks prior to the scheduled Examinations Under Oath of three current PG&E employees ([REDACTED]), who all indicated to SED in their Examinations Under Oath that PG&E locators had inappropriately rescheduled tickets to avoid them from becoming “late”.⁷⁷³ It is unclear to SED if the subpoenas of these PG&E’s personnel had any connection with PG&E releasing these QM findings to SED, but the timing is concerning.

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- “Did not mark by renegotiated new start time”: The status of the ticket showed a notification of new start time, but the locator failed to perform the locate and mark by the new start time.

⁷⁷² See Attachment 2 - PG&E’s response (Index 10707.08 Supp02), p. 2. PG&E’s response 10707.08 (a) stated that, “PG&E has prepared a yearly breakdown of late tickets for each division, 2012 to February 2017. See attachment ‘Index 10707-08_2012 - Feb 2017 Total Late - Division.xlsx.’ PG&E is still gathering late ticket information broken down by month for each division and anticipates delivering it by May 22, 2017.” Attachment “Index 10707-08_2012 - Feb 2017 Total Late - Division.xlsx” is included in this report as Figure 10 in this report. PG&E’s response 10707.08 Supp02 (a) stated that, “See attachment ‘Index 10707-08_2012 - Feb 2017 Total Late - Division_Monthly.xlsx’ for the previously provided late ticket data broken down by month for each division January 2012 – February 2017. After further reviewing the late ticket data for the preparation of the monthly breakdown by division, PG&E would like to update the number of late tickets for 2015 to 3,450 (from 3,385). Refer to tab “2015” of the spreadsheet for these updated numbers.”

⁷⁷³ See Attachment 56 - Examination Under Oath transcript of [REDACTED], p. 102-103:

SED asked, “Did you hear PG&E employees who were recording the tickets tell you that they felt like they no option?” She replied, “Absolutely.” Then SED asked, “And by ‘no option,’ that means no option but to change the due dates on the late ticket without getting agreement from the excavators?” [REDACTED] replied,

Or phase them inappropriately or close them out. It's not always changing the date. It's could be calling them three times and then closing the ticket out without locating it, as no response from excavator, when they should have just gone out and located. There was no reason that they really needed to contact them other than to say, I can't get to it. And then the contractor has to re-call that ticket in, and then they get another 48 hours. So I think there's different ways that that happens besides just changing the date, is all I'm saying. But I don't think it's the locators' fault or the supervisors. It travels downhill from, you know, leadership.

See Attachment 58 - Examination Under Oath transcript of [REDACTED], p. 104-105:

SED asked [REDACTED], “Are you aware of others who falsified locate and mark records?” She

On November 16, 2017, SED submitted a data request (PG&E Index 11481.01) seeking to get detailed information regarding allegations of falsifying information on USA tickets.⁷⁷⁴ In

said, "Yes." Then SED asked, "Who else?" She said, "Well, I just reviewed tickets where it was responded to as a phase ticket." Then she added, "Knowing that it was a way of getting a response in there so the ticket wasn't late, and also speaking to my husband I was informing him, you know, don't do that." [REDACTED] continued, "And then he let me know that when he was hired on I believe that was his instruction from his leadership to put in that response."

See Attachment 57 - Examination Under Oath transcript of [REDACTED], p. 31-33.

SED asked [REDACTED] "What are the examples, in your experience, of tickets that you've seen that are shown -- were shown to not be late when in fact the ticket was late?" [REDACTED] described examples of three different ways this occurred, as shown below.

Example One:

[REDACTED] noted, "If somebody phased it unnecessarily, say it's a single service to an address, rather than, you know, a block job, and they phase that before the ticket was due."

Example Two:

[REDACTED] noted, "Renegotiating a ticket unilaterally, renegotiating a start time unilaterally" and by unilaterally, he meant, "I would say by leaving a voice message saying they were going to have to push out the work start time without a mutually agreed upon time with the excavator."

Example Three:

[REDACTED] last examples had to do with inclement weather:

The only other one that comes to mind would be inclement weather. If it was used when it was raining, and then it stopped raining, and they put inclement weather. Because you can't put paint down on the ground when it's wet, but if it was say a break in the rain and they responded as inclement weather.

⁷⁷⁴ SED Data Request (PG&E Index 11481.01) asked for the following:

Please confirm that there were allegations of falsifying information on an Underground Service Alert (USA) ticket by PG&E's Quality Management Department, including but not limited to the Asset Management Team, between January 1, 2012 and December 31, 2017 (hereafter called, "allegation".)

- a. Please break down the total number of such allegations by month, and division.
- b. Please provide the communications showing each such allegation, including the documentation underlying that allegation.
- c. Did PG&E investigate each such allegation to determine whether it was true? If so, please provide the following:
 - i. Identify the total number of investigations conducted in response to these allegations.
 - ii. Identify the department(s), including PG&E personnel or contractors, who conducted the investigations.
 - iii. Identify the total number of allegations that were found to be true.
 - iv. Identify the total number of allegations that were found to be false.

its response dated December 5, 2018 to SED's data request (PG&E Index 11481.01), PG&E indicated that **Guidepost** was retained to conduct an investigation on the late ticket under-reporting issue.⁷⁷⁵ Then on February 23, 2018, PG&E provided, in its response (PG&E Index 11718.01), estimates of its updated late tickets count, which were significantly more than previously reported (See Table 1). Regarding the estimates, PG&E stated:

At present, as explained above, we anticipate revising historical late ticket numbers from 2012 through 2017. PG&E is continuing to assess its IrthNet reporting logic to identify the actions that could be taken on a ticket that would have caused it to be misclassified. As those conditions are identified, the total number of late tickets identified may change. PG&E expects that its current estimates of 44,794 late tickets out of 760,177 total tickets received in 2012, of 51,272 late tickets out of 671,015 total tickets received in 2013, 47,589 late tickets out of 702,275 total tickets received in 2014, 61,114 late tickets out of 820,455 total tickets received in 2015, and 55,666 late tickets out of 898,120 total tickets received in 2016 will change as PG&E's work continues and the logic of its IrthNet search function becomes more refined. The current estimates reflect tickets from this period that had no initial response and are past the due date time,

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- v. Identify the total number of allegations that did not reach an outcome as to whether they were true or false.
 - vi. Please provide all the documents (i.e. reports, emails exchange, employee log sheets, etc.) that are associated with the outcome or the communications of the outcome to all the parties. Please be sure to organize each set of documents so that it is marked to correspond with each identified investigation.
- d. Please provide the total number of such allegations that were not investigated.
- i. For each such allegation that was not investigated, please explain why it was not.
 - ii. Please provide all documentation showing the reasons for not conducting such investigations.
 - iii. Please break down the total number of such allegations by month, and division.
- e. Did PG&E accept any of these allegations as true without conducting an investigation? If so, how many? (Please break down by month.)
- i. For each such allegation PG&E accepted as true, what was PG&E's basis of accepting each allegation?

⁷⁷⁵ See Attachment 59 - PG&E's response (Index 11481), p. 2. PG&E's response 11481.01 stated that, "As detailed in PG&E's response to Question 11481.02 below, PG&E has retained Guidepost to conduct a non-privileged investigation into late ticket under-reporting issues. As part of its work, Guidepost will be reviewing whether there were allegations of falsifying information on USA tickets made by PG&E's Quality Management Department, including but not limited to the Asset Management Team, between January 1, 2012 and 2017, as well as any PG&E investigations in response to such allegations. PG&E will supplement its response to this data request after Guidepost has issued its final report."

that had an ongoing response and are past the due date time, or that have a completed response but the completed response was after the due date time.⁷⁷⁶

On May 2, 2018, SED received the **Guidepost** Report. Also, on May 2, 2018, SED received a late tickets count by Bates White, and the logic underlying how Bates White counted late tickets. Bates White was an independent contractor hired by PG&E to count PG&E's late tickets. Bates White's late tickets counts (See Table 1) in each year from 2012 to 2016, as of May 2018, were the following: 13,062 (2012), 28,829 (2013), 27,736 (2014), 32,985 (2015), and 30,684 (2016).

TABLE 3
SED Preliminary Investigation Timeline

Date	Significant Event
April 28, 2016	A federal agency, the Pipeline and Hazardous Material Safety Administration (PHMSA), noticed SED that PG&E had possibly falsified many of its Locate and Mark records.
June 8, 2016	SED submitted its first data request (PG&E Index 9623) for this preliminary investigation. Part of this request was number of tickets from January 2013 to this date that were on-time, late, renegotiated, etc.
September 28, 2016	PG&E provided its response to data request with PG&E Index 9623.03. Please see Attachment 14. Please note that it was discovered later that these set of late tickets numbers were undercounted.
October 21, 2016	SED submitted its second data request (PG&E Index 10279) for this preliminary investigation. Part of this request was to get access of PG&E's 2014 and 2015 late tickets information.
November 22, 2016	SED submitted its third data request (PG&E Index 10359) for this preliminary investigation. Part of this request was records of communication and mutual agreement between PG&E and excavators for late tickets from January to June of 2016.
December 1, 2016	PG&E provided its response to data request with PG&E Index 9623.03. Please see Attachment 15. Please note that it was discovered later that these set of late tickets numbers were undercounted.
December 1, 2016	SED had a meeting with PG&E for this preliminary investigation.
December 6, 2016	SED submitted another data request (PG&E Index 10370) for this preliminary investigation. Part of this request was records of communication related to tickets with renegotiated start times in 2014.
January 24, 2017	SED submitted another data request (PG&E Index 10516) for this preliminary investigation. Parts of this request were PG&E's definitions of late and

⁷⁷⁶ See Attachment 17 - PG&E's response (Index 11718), p. 2.

	renegotiated ticket. Also, SED requested a list of all the late and renegotiated tickets from 2013 to 2016.
February 17, 2017	SED had another meeting with PG&E for this preliminary investigation. SED walked through a couple USA tickets with [REDACTED] and others. SED discovered some USA tickets were shown as rescheduled by leaving voicemails or messages with the excavators.
March 13, 2017	SED submitted another data request (PG&E Index 10658) for this preliminary investigation. Part of this request was breakdown of late ticket from 2013 to 2016.
March 15, 2017	SED had another meeting with PG&E for this preliminary investigation. SED continued to find USA tickets shown as rescheduled by leaving voicemails or messages with the excavators.
March 16, 2017	SED submitted another data request (PG&E Index 10674) for this preliminary investigation. SED requested the work history of the following PG&E employees in relation to Locate and Mark: [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED]
March 24, 2017	<p>PG&E provided its response to data request with PG&E Index 10658. Please see Attachment 16 for the response. According to PG&E's response, the continuing reduction of late tickets was a result of a zero late tickets goal and different measures PG&E took to achieve that. Please note that it was discovered later that these set of late tickets were undercounted. PG&E's response states in part, "In 2015, all L&M supervisors were in place and goals were set to aggressively reduce late tickets. PG&E established a zero late tickets goal and undertook several actions to ensure this took place, such as:</p> <ul style="list-style-type: none"> • Looking at best practices within successful divisions and communicating these practices system wide. • Supervisors taking a direct, hands-on approach to educate the locators regarding accurate and timely data entry into Irthnet and ensuring late tickets were appropriately addressed. <p>Late tickets were virtually eliminated by mid-2015 and have remained low ever since.</p> <p>In 2016, PG&E continued the actions set in place in 2015. With zero late tickets realized in several divisions, each late ticket was analyzed for root cause, and corrective actions were taken to ensure that a recurrence would not happen. The small number of late tickets can be primarily attributed to tablet computer connectivity issues or failure by the Locator to enter the proper keystrokes.</p>

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	Many of the tickets were completed on time, but the correct information was not entered in a timely fashion. "
March 27, 2017	SED submitted another data request (PG&E Index 10707) for this preliminary investigation. This data request asked for detail information related to late tickets, renegotiated ticket, dig-ins, Keys Reports, job evaluations related to late tickets, incentives to avoid creating late ticket, etc.
May 19, 2017	Examination Under Oath of [REDACTED]
May 23, 2017	SED submitted another data request (PG&E Index 10895) for this preliminary investigation. Part of this request was PG&E's logic in querying for on-time and late tickets.
June 6, 2017	PG&E provided its second supplemental response to data request with PG&E Index 10707.08 revealing its QM data on late tickets. This was the first time PG&E communicated to SED about its QM late tickets data after a number of data requests and meetings. PG&E's QM organization identified USA ticket responses that were not handled in accordance with PG&E procedures. These tickets were identified as on-time in IrthNet and in the responses previously provided to SED.
June 19, 2017	Examination Under Oath of [REDACTED]
June 20, 2017	Examination Under Oath of [REDACTED]
June 21, 2017	Examination Under Oath of [REDACTED]
July 5, 2017	SED submitted another data request (PG&E Index 11038) for this preliminary investigation. SED requested detail information on the late tickets identified by PG&E's QM, result of QM review on tickets related to gas incidents, and result of QM review on all tickets received by PG&E.
August 4, 2017	SED had a meeting with PG&E for this preliminary investigation. PG&E provided a presentation to SED on the QM review process.
September 1, 2017	Examination Under Oath of [REDACTED]
October 3, 2017	SED submitted another data request (PG&E Index 11333) for this preliminary investigation. SED found evidence showing that PG&E locators potentially have started rescheduling start time of a ticket without mutual agreement as early as 2012. Part of this request was to get detail information about it.
November 6, 2017	Examination Under Oath of [REDACTED]
November 7, 2017	Examination Under Oath of [REDACTED]
November 16, 2017	SED submitted another data request (PG&E Index 11481) for this preliminary investigation. SED sought to get detail on allegations of falsifying USA tickets and PG&E's investigations on these allegations.
December 5, 2017	PG&E provided its response to data request with PG&E Index 11481. PG&E informed SED that it has retained Guidepost to conduct a non-privileged investigation into late ticket under-reporting issues. The investigation would provide information to SED's data request (PG&E Index 11481) related to allegation of falsification of records.

December 20, 2017	PG&E informed SED that they planned to revise their previous data request response to reflect updated historical late ticket numbers.
February 6, 2018	SED submitted another data request (PG&E Index 11718) for this preliminary investigation. Part of this data request was to get detail information on the logic behind PG&E's revised historical late ticket numbers.
February 23, 2018	PG&E provided its response to data request with PG&E Index 11718. This response included PG&E's estimates of late tickets as of this date, and it states in part: "PG&E expects that its current estimates of 44,794 late tickets out of 760,177 total tickets received in 2012, of 51,272 late tickets out of 671,015 total tickets received in 2013, 47,589 late tickets out of 702,275 total tickets received in 2014, 61,114 late tickets out of 820,455 total tickets received in 2015, and 55,666 late tickets out of 898,120 total tickets received in 2016 will change as PG&E's work continues and the logic of its IrthNet search function becomes more refined."
March 1, 2018	Examination Under Oath of [REDACTED]
March 2, 2018	Examination Under Oath of [REDACTED]
March 6, 2018	SED submitted another data request (PG&E Index 11836) for this preliminary investigation. Part of this data request was to get detail information on the logic behind PG&E's revised historical late ticket numbers, relationship of dig-in with the revised numbers.
April 6, 2018	SED submitted another data request (PG&E Index 11956) for this preliminary investigation. Part of this data request was to get background information of the under-reported historical late ticket numbers.
May 2, 2018	Guidepost investigation Report and Bates White Late Ticket Count Logic were received. Bates White's late tickets counts as of May 2018 are the following: 13,062 (2012), 28,829 (2013), 27,736 (2014), 32,985 (2015), and 30,684 (2016).
May 10, 2018	SED submitted another data request for this preliminary investigation. Part of this data request was to get more information about the Guidepost investigation, Bates White late ticket counts, and AGA peer review. SED also asked PG&E whether it accepts as true the facts provided in the Bates White and Guidepost Reports. ⁷⁷⁷
June 1, 2018	SED had a meeting with PG&E for this preliminary investigation. PG&E provided presentations to SED on Bates White late ticket count logic and PG&E's Locate and Mark Special Attention Review (SAR). The SAR listed a set of Locate and Mark issues identified by Internal Audits and AGA peer review, which include issue on late tickets.
June 15, 2018	PG&E responded to SED's question about whether it accepts as true the facts provided in the Bates White and Guidepost Reports. With regards to the Bates White Report, "PG&E agrees with the methodology developed and applied by Bates White to determine the number of late responses to USA tickets between 2012 and February 2017, and the resulting annual late ticket counts." ⁷⁷⁸

⁷⁷⁷ See Attachment 66 - SED Data Request, 5/10/2018, Question 12071.01.

⁷⁷⁸ See Attachment 66 - PG&E's response (Index 12071.01).

	However, with regards to the Guidepost Report, PG&E has stated, “PG&E was not present during the Guidepost interviews, and thus cannot agree or disagree with Guidepost’s recitation of the events referenced or statements made during those interviews. We presume Guidepost accurately reflected what people told them during these interviews.” ⁷⁷⁹ Bates White provided a report that counted more than 135,000 late tickets between 2012 and the end of February in 2017, and significant upward revision of PG&E's count. Of these, Bates White found that 195 dig-ins on PG&E's natural gas system were associated with the late tickets it counted. ⁷⁸⁰
July 27, 2018	PG&E provided its Data Request Response 12211 indicating that 38 dig-ins involved a late response which either may have contributed to the incident, or there is insufficient evidence to determine whether the late response may have contributed to the incident. ⁷⁸¹
October 16, 2018	PG&E provided a summary of its ongoing efforts to reevaluate its gas dig-in data and revise the number of dig-ins on late tickets during the period of January 1, 2012 through February 28, 2017. Bates White has found 29 additional dig-ins that are associated with late tickets, making 195 dig-ins on late ticket now 224. ⁷⁸²
October 23, 2018	PG&E provided its data on excavation damages per 1000 tickets from 2012 to 2017. ⁷⁸³
November 16, 2018	PG&E provided its data on its dig-ins from 2012 to the end of February of 2017. PG&E also provided its definition of dig-in used to gather the data. According to PG&E, a dig-in refers to any damage (impact or exposure) that results in a repair or replacement of an underground gas facility as a result of an excavation. A third-party dig-in is damage caused by someone other than PG&E or a PG&E contractor. ⁷⁸⁴

VIII. SED’s ANALYSIS OF BATES WHITE’S LATE TICKET COUNT AND LOGIC

PG&E hired Bates White, an economic consulting firm, to determine which tickets should be properly categorized as late during the period of January 1, 2012 to February 28, 2017.⁷⁸⁵ A report was prepared and sent to SED along with a letter to SED Director dated May

⁷⁷⁹ See Attachment 66 - PG&E’s response (Index 12071.01 Supp01).

⁷⁸⁰ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

⁷⁸¹ See Attachment 63 - PG&E’s response (Index 12211).

⁷⁸² See Attachment 64 - PG&E’s summary of its ongoing efforts to reevaluate its gas dig-in data.

⁷⁸³ See Attachment 65 - PG&E’s response (Index 12369).

⁷⁸⁴ See Attachment 67 - PG&E’s response (Index 12581).

⁷⁸⁵ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 45.

2, 2018 that describes Bates White's methodology and the resulting late ticket counts.⁷⁸⁶ PG&E believes the logic applied by Bates White is conservative and in some instances counts some tickets as late that may in fact be timely.⁷⁸⁷ Bates White stated that its logic "is tailored to the response type and relies on notes provided by the locator."⁷⁸⁸ In addition, Bates White stated, in a footnote, its approach "is a rules-based approach that is designed to be applied to hundreds of thousands of tickets. For any one ticket, there may be additional information that would render a different late ticket determination than the one rendered by this logic."⁷⁸⁹ Also, in the words of Bates White,

Nonetheless, the responses and notes reflect a human element that may introduce inconsistencies in the way information is provided. To this extent, and to the extent that the information is available in the Irth system, we have applied logic that we believe is conservative, and counts as late some tickets that may in fact be timely.⁷⁹⁰

According to Bates White's statements above, its logic relies on notes provided by the locators, and Bates White recognized that the responses and notes reflect a human element that may introduce inconsistencies in the way information is provided. Yet, Bates White still believe that they have applied logic that is conservative, and counts as late some tickets that may in fact be timely. In addition to the "inconsistencies" that Bates White suggested above, SED also has concerns with the "accuracy". SED is unaware that PG&E or Bates White had contacted any excavators to verify the accuracy of the responses and notes (entered by PG&E locators) on any tickets for this late tickets count.

Bates White, in its report, identified two features listed below with the IrthNet search functionality that was used to produce the late ticket counts previously reported to SED.

- "[T]he search functionality did not distinguish between types of responses, even though some responses indicate that the ticket has been completed and some responses indicate that further action is needed. For example, 'No Conflict' indicates that there are no PG&E facilities near the delineation area and that no further work is needed to complete the ticket. 'No Response from

⁷⁸⁶ See Attachment 4 - May 2, 2018 Letter to SED Director for Bates White's report.

⁷⁸⁷ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 1.

⁷⁸⁸ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 46.

⁷⁸⁹ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 46.

⁷⁹⁰ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 46.

Excavator’, however, indicates that the excavator cannot be reached to provide information that is needed to complete the ticket.”⁷⁹¹

- “The search functionality did not use information present in the notes to determine whether a ticket was late, and relied only on limited other information in the ticket.”⁷⁹²

According to Bates’ White’s descriptions above, the IrthNet search functionality had deficiencies, and it did not distinguish between types of responses and did not use information present in the notes to determine whether a ticket was late. Bates White’s work tried to address the shortcomings of the earlier counts due to these deficiencies. Bates White “implemented logic that treats different response differently, and relies on the notes to provide additional information that is relevant to determining whether a ticket is late.”⁷⁹³ SED notes that the responses and notes mentioned by Bates White in their statements were entered and recorded by PG&E personnel. Again, SED is unaware that PG&E or Bates White had contacted any excavators to verify the accuracy of the responses and notes on any tickets for this late tickets count.

Shown in Figure 12 (also shown in Table 1) is a table of PG&E’s annual late tickets counts from January of 2012 to February of 2017 using Bates White’s logic.⁷⁹⁴ Based on these late tickets counts, PG&E did not have a continuous decline of late tickets in the period between 2014 and 2016 as reported previously in PG&E’s April 19, 2017 response (PG&E Index 10707.08). The previous PG&E’s annual late tickets counts between 2014 and 2016 were: 13,391 (2014), 3,385 (2015), and 44 (2016).⁷⁹⁵

Figure 12 – May 2018 Revised PG&E Late Tickets Count in Bates White’s Report

	2012	2013	2014	2015	2016	Jan-Feb 2017
May 2018 revised late ticket count	13,062	28,829	27,736	32,985	30,684	5,543
Total ticket population	613,789	657,272	701,751	819,041	898,073	130,070
Percent late	2.1%	4.4%	4.0%	4.0%	3.4%	4.3%

⁷⁹¹ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 45.

⁷⁹² See Attachment 4 - May 2, 2018 Letter to SED Director, p. 45.

⁷⁹³ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 46.

⁷⁹⁴ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

⁷⁹⁵ See Attachment 5 - Index 10707-08 2012 to February 2017 PG&E Total Late Tickets Count.

Shown in Figure 13 is number of dig-ins, between 2012 and February 2017, associated with the late tickets identified using Bates White's logic.⁷⁹⁶ The 195 dig-ins are dig-ins that were reported in the 2012 Gas Quarterly Incident Report and in the PG&E Master Dig-In File,⁷⁹⁷ and they were within 28 days of the request date of the late tickets identified by Bates White.

Figure 13 – May 2018 Dig-ins Associated with Late Tickets

	2012 – Feb 2017
Total number of dig-ins associated with late tickets	195
Percent of late tickets associated with dig-ins	0.14%

IX. PG&E's FAILURE TO COMPLY WITH LOCATE AND MARK REQUIREMENTS

A. PG&E Failed To Comply With California Government Code § 4216.3(a)(1)

PG&E is required to respond to a notification of planned excavation activity in a timely manner unless the excavator agrees to a later start date and time. Prior to 2017, California Government Code § 4216.3(a)(1) states that,

Any operator of a subsurface installation who receives timely notification of any proposed excavation work in accordance with § 4216.2 shall, within two working days of that notification, excluding weekends and holidays, or before the start of the excavation work, whichever is later, or at a later time mutually agreeable to the operator and the excavator, locate and field mark the approximate location and, if known, the number of subsurface installations that may be affected by the excavation to the extent and degree of accuracy that the information is available either in the records of the operator or as determined through the use of standard locating techniques other than excavating, otherwise advise the person who contacted the center of the location of the operator's subsurface installations that may be affected by the excavation, or advise the person that the operator does not operate any subsurface installations that would be affected by the proposed excavation.

During its preliminary investigation, SED found eight instances (see sections VII.A and VII.B of this report) of PG&E failing to respond to USA requests in accordance with California Government Code § 4216.3(a)(1). As discussed in sections VII.A and VII.B of this report,

⁷⁹⁶ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

⁷⁹⁷ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

PG&E failed to respond in a timely manner, and failed to negotiate a later start time that was mutually agreeable to the operator and the excavator because PG&E locator was leaving voice messages. Each instance of PG&E's late response to a ticket is a violation of California Government Code § 4216.3(a)(1). PG&E has more late tickets than the eight instances that SED included in this report. Bates White conducted an extensive search of PG&E's late USA tickets based on the information in its system. Figure 12 shows PG&E late tickets count from January of 2012 to February of 2017 as of May of 2018.

B. PG&E Failed To Comply With Its Own Procedures (49 CFR § 192.605(a))

49 CFR § 192.605(a) requires PG&E to “prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.” PG&E's procedure TD-5811P-105-JA01 states in part,

1. Purpose

Choosing the correct Utilisphere™ response has a direct impact on public safety and damage prevention. It helps you generate the appropriate communication with the excavator and accurately record your work for each specific USA ticket...

12. No Response from Excavator

WHEN TO USE: Excavator has not responded to 3 requests for help OR information needed to complete ticket...

ADDITIONAL ACTIONS: 1. Attempt to contact excavator at least 3 times. 2. Document date, time, and details of each attempt. 3. Close ticket...

13. Notification of New Start Time

WHEN TO USE: After direct contact was made with excavator and a new start date and time have been mutually agreed upon...

ADDITIONAL ACTIONS: 1. Document the following:

- New start date and time.
 - Name and phone number of person you contacted.
 - Method of contact (phone conversation or field meet. Voice message is NOT acceptable).
2. Leave ticket open.⁷⁹⁸

SED reviewed USA ticket #0459722 (Figure 1) and found that PG&E failed to correctly use the “No Response from Excavator” response. According to PG&E's TD-5811P-105-JA01, this response should only be used when the personnel made at least three attempts to contact the

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excavator and each attempt was documented in the ticket, but only one attempt was documented in the notes about one hour before the due time of the ticket. In addition, the locator did not document the kind of help or information that was needed from the excavator. Therefore, it was an inappropriate use of ticket response and violation of PG&E's own procedure.

SED also reviewed the list of USA tickets below and found that voice message was documented as method to notify excavator of new start time in each of them. According to PG&E's TD-5811P-105-JA01, voice message was not acceptable as a method of contact when using the "Notification of New Start Time" response.

- USA Ticket #0299118 (Figure 2)
- USA Ticket #0372494 (Figure 3)
- USA Ticket #0430147 (Figure 4)
- USA Ticket #0364841 (Figure 5)
- USA Ticket #0411749 (Figure 6)
- USA Ticket #W612000634 (Figure 7)
- USA Ticket #W612001130 (Figure 8)

The USA tickets listed in this section violated both California Government Code § 4216.3(a)(1) and PG&E's procedures.

X. SAFETY CONSEQUENCE OF LATE TICKET AND FALSIFICATION OF LOCATE AND MARK RECORDS

SED is concerned about the safety consequences of PG&E's falsified undercounting of its late tickets. An excavator could mistakenly damage subsurface installations without timely and accurate locating and marking. Excavation damage of subsurface installations could result in gas incidents, and put public health and safety at risk. SED's specific concerns with safety related consequences of PG&E's behavior include:

- PG&E's inability to properly mitigate the risk of excavation damages and to prevent the dig-ins caused by excavators who elect to dig without a timely and proper locating and marking;
- PG&E's Inability to properly staff locators due to its undercounting of late tickets;
- PG&E's inability to properly identify who is at fault or properly determine the amount of fault shared for dig-ins that occurred on tardy locating and markings;

- PG&E's inability to provide accurate data and responses to SED that reflect PG&E's actual locating and marking performance.

A. PG&E's Inability to Properly Mitigate the Risk of Excavation Damages and to Prevent the Dig-ins Cause by Excavators Who Elect to Dig without a Timely and Proper Locating and Marking

One possible safety consequence of PG&E's improper renegotiation practice and late response is that it increases the risk of excavators digging without timely and proper markings.

Some excavators may have believed that they were clear to start their excavations after they have waited the required time. They may have assumed that there were no PG&E's facilities if they did not see any markings, or they may have observed other USA markings and assumed that PG&E responded. The gas incident in section VII.A of this report shows an example of an excavator damaging PG&E's gas pipeline when he assumed that he was clear to start because he had waited 48 hours and observed yellow markings on the ground. However, the yellow markings were not PG&E's response to his ticket.

Unfortunately, other excavators who did indeed "call before you dig" may be under pressure to begin digging before a tardy locator actually does the marking. Each time PG&E did not respond to a USA ticket in a timely manner, there was a higher chance of the excavator starting its excavation before PG&E's subsurface installations were marked, given that there is a cost for the wait time. As stated by a PG&E Field Engineer, "Every project GC constructs is not marked in a timely matter and often not marked until a remark call and follow up is requested. This greatly increases cost and risk for safety..."⁷⁹⁹ According to this statement from an employee of PG&E's Gas Construction department, who also conduct excavation, not responding to a USA ticket in a timely manner greatly increases cost and risk for safety. The risk of excavation damage due to the excavator starting its excavation before subsurface installation were marked could be mitigated if corrective actions, such as proper staffing to avoid late ticket, were performed based on accurate recordkeeping of locate and mark timeliness.

⁷⁹⁹ See Attachment 43 - [REDACTED] email - October 2016, p. 2.

Bates White associated the late tickets identified using their logic with the dig-ins reported in the 2012 Gas Quarterly Incident Report and in the PG&E Master Dig-In File.⁸⁰⁰ The number of dig-ins associated with late tickets identified using Bates White logic is 195 for the period of January 2012 to February 2017.⁸⁰¹ According to the PG&E letter to SED Director dated May 2, 2018, PG&E has reviewed investigative and other records of the 195 dig-ins and found that PG&E's late response may have contributed to, or there is insufficient evidence to determine whether the late response contributed to, 31 of those dig-ins.⁸⁰²

PG&E's numbers only give an idea about a small portion of the story of safety risk due to their behavior. PG&E's numbers discuss actual hits; but give no idea about the number of near misses or risky excavations without markings.

B. PG&E's Inability to Properly Staff Locators Due Its Undercounting of Late Tickets

The falsification of tickets along with the deficiencies in PG&E's ticket management system led to under-reported late ticket count for many years and a prolonged Locate and Mark staffing issue. As stated in PG&E's Internal Auditing findings of the 2011 audit of PG&E's Gas Damage Prevention Program, "inaccurate recordkeeping of mark and locate timeliness does not allow management to promptly identify, diagnose, and correct potential resource shortages."⁸⁰³

C. PG&E's Inability to Properly Identify Who Is At Fault or Properly Determine the Amount of Fault Shared for Dig-ins that Occurred on Tardy Locating and Marking.

PG&E's [REDACTED], acknowledged that, if there was a real time undercounting of PG&E's late tickets, a result could be that PG&E miscalculated its fault associated with a dig-in.⁸⁰⁴ [REDACTED] added, "If we're late, we're at fault. And I think I indicated earlier, my understanding is that they're calculating [fault

⁸⁰⁰ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

⁸⁰¹ See Attachment 4 - May 2, 2018 Letter to SED Director, p. 49.

⁸⁰² See Attachment 4 - May 2, 2018 Letter to SED Director, p. 54.

⁸⁰³ See Attachment 45 - PG&E Internal Auditing Letter dated February 10, 2012, p. 3.

⁸⁰⁴ See Attachment 13. Examination Under Oath transcript of [REDACTED], p. 104, lines 3-8.

associated with third party damage] based upon the revised number [of late ticket counts].⁸⁰⁵ Given these insights, in instances where PG&E falsified its USA tickets to appear as on-time when they were really late, this would result in PG&E not being able to properly identify who is at fault or determine the amount of fault shared on a dig-in.

The following example shows that PG&E held an excavator partly responsible or at fault for a dig-in even though the locator did not mark the excavation site by the required deadline, and PG&E falsely recorded this ticket as timely marked when it was, in fact, late. This incident occurred on its system in San Jose on December 8, 2014, PG&E stated,

The third party called USA (No. 459722) on 11/3/2014. PG&E received the normal notice on 11/03/2014 (11:25:55 AM). In response to the ticket, PG&E attempted to make contact with the excavator before locating and marking its facilities. PG&E left a message for the excavator on 11/5/2014 but did not receive a response from the excavator to coordinate the locate and mark prior to the excavation. (As is customary for large excavation projects, PG&E communicates with the excavators to phase the marking of PG&E facilities to ensure markings remain visible in the excavation area.)⁸⁰⁶

When answering question 14 of section “G3 – Excavation Damage” in the Incident Report Form, PG&E indicated the root cause of this incident as “Excavation Practices Not Sufficient” and explained that, “[T]hird party proceeded to excavate before PG&E coordinated locate and mark.”⁸⁰⁷ PG&E claimed that the excavator was responsible for the incident because it proceeded to excavate before PG&E coordinated the locate and mark.

SED questioned PG&E’s timeliness of its response to the excavator’s USA request (Figure 1 - USA Ticket #0459722) in a data request (PG&E Index 10895.02) dated May 23, 2017.⁸⁰⁸ PG&E provided its response on June 9, 2017 and the response states, “The USA ticket indicates PG&E submitted a positive response, ‘No Response From Excavator’, on 11/05/2014 at 10:20:00 AM, prior to the work start date of 11/05/2014 at 11:30 AM, therefore, this ticket

⁸⁰⁵ See Attachment 13. Examination Under Oath transcript of [REDACTED], p. 105, lines 2-10.

⁸⁰⁶ See Attachment 38 - Incident Report PHMSA F7100.1 (San Jose, CA - Nov 2014), p. 10.

⁸⁰⁷ See Attachment 38 - Incident Report PHMSA F7100.1 (San Jose, CA - Nov 2014), p. 6.

⁸⁰⁸ The data request (PG&E Index 10895.02) asked, “I have attached an USA ticket as an example. Please see the attached “USA 459722_CONF”. Using PG&E’s query for the on-time and late ticket, does this ticket fall into the category of on time because it was responded (10:21:05AM) before the “work begins” time (11:30:00AM)?”

would not be considered late in IRTNet.”⁸⁰⁹ PG&E’s response indicated that this USA Ticket #0459722⁸¹⁰ was captured as on-time. However, based on SED’s preliminary investigation (see section VII.A of this report), this ticket was late. PG&E’s supplemental response (PG&E Index 10895.02 Supp01), on June 29, 2018, confirmed that as it states, “Ticket No. 459722 is an example of a ticket that was not counted as late in IRTNet but, consistent with the conservative nature of the Bates White logic, was counted as late in Bates White’s May 2, 2018, Report. Although the positive response ‘No Response From Excavator’ was entered prior to the work start date, the notes do not contain the additional evidence, in addition to the response, that the Bates White logic required for such a ticket to be counted as timely.”⁸¹¹

SED’s incident investigation found PG&E in violation of California Government Code § 4216.3(a)(1) for its failure to perform a field mark within two working days or reach an alternative agreement with the excavator. SED also found the excavator in violation of Cal/OSHA code Title 8 Chapter 4, Article 6, Section 1541(b)(a)(A) for its failure to confirm with PG&E about the completion of the locate and mark before it commenced excavation.⁸¹² Therefore, both parties shared fault in this gas incident.

D. PG&E’s Inability to Provide Accurate Data and Responses to SED that Reflect PG&E’s Actual Locating and Marking Performance

There were a number of occasions throughout this preliminary investigation in which PG&E provided under-stated late tickets count to SED. The first occasion was on September 28, 2016 when PG&E provided its over-stated on-time and under-stated late tickets counts for the period of January 2014 to June 2016⁸¹³. Based on the Guidepost Report, PG&E’s Gas Operations Quality Assurance group reported, on March 10, 2010, that “incorrect data is being used to report on-time results.”⁸¹⁴ In addition, it stated that, “This data, in turn makes the M&L on-time performance appear better than it is. This may result in too few resources being

⁸⁰⁹ See Attachment 39 - PG&E’s response (Index 10895), p. 1.

⁸¹⁰ See Figure 1.

⁸¹¹ See Attachment 60 - PG&E’s response (Index 10895.02 Supp01).

⁸¹² See Attachment 12 - SED Incident Investigation Report (San Jose, CA - Nov 2014), p. 7.

⁸¹³ See Attachment 14 - Index 9623.03 2014 to June 2016 PG&E On-Time and Late Tickets Count

⁸¹⁴ See Attachment 3 - Guidepost Report p. 14

provided to Mark & Locate personnel to timely respond to tickets.”⁸¹⁵ Furthermore, the Guidepost Report stated that PG&E’s Quality Management organization continued to find instances of falsifying the Locate and Mark records to change the due time and reported to the company. In the words of the Guidepost Report,

██████████, of QM, told us that he had conducted an assessment of a sample of supposedly timely tickets every year since 2011, and had found that his samples contained numerous instances of tickets which had not been renegotiated properly because there had not been “positive contact” with the excavator, or because the job had been phased inappropriately. ██████████ reported these findings to supervisors and locators in 2011 and 2012, and after L&M became a separate function, to “██████████” in 2013, 2014 and 2015. The ██████████ was ██████████.⁸¹⁶

PG&E’s QM, during its field assessment in 2016, found 40 late tickets that were not initially reported out of a review of 1,984 tickets as indicated in the “Locate and Mark SED Update” presentation given to SED during a meeting dated August 4, 2017. PG&E stated in its presentation,

During PG&E’s planned internal QM field assessments conducted in 2016 the team identified tickets that had been processed beyond the require due date resulting in late tickets. The review of completed “Facility Marked” tickets revealed that tickets were not being properly processed and were not showing up through the normal “Late Ticket” reporting. As a result of the assessments 40 tickets were identified as late out of 1,984 tickets reviewed that was not initially reported.⁸¹⁷

These things show PG&E’s knowledge that it practiced falsifying its Locate and Mark records and also practiced over-stating locate and mark on-time performance. However, PG&E provided its data request response (PG&E Index 10658.02) on March 24, 2017, informing SED that there were only 44 late tickets out of 595,434 tickets completed by PG&E in 2016.⁸¹⁸ In comparison, as stated above, the PG&E QM organization, in 2016, found 40 late tickets (from a review of 1,984 tickets) that were not captured in PG&E’s normal “Late Ticket” reporting,⁸¹⁹ but PG&E did not mention about this finding in its March 24, 2017 response. PG&E did not inform SED about QM organization’s late ticket finding until it provided a data response on

⁸¹⁵ See Attachment 3 - Guidepost Report p. 14.

⁸¹⁶ See Attachment 3 - Guidepost Report p. 32.

⁸¹⁷ See Attachment 31 - PG&E’s Locate and Mark SED Update on August 4, 2017, p. 3.

⁸¹⁸ See Attachment 16 - PG&E’s response (Index 10658), p. 3.

⁸¹⁹ See Attachment 31 - PG&E’s Locate and Mark SED Update on August 4, 2017, p. 3.

June 6, 2017 (PG&E Index 10707.08 Supp02)⁸²⁰, almost a year after SED submitted its first data request for PG&E's late USA ticket count.

XI. CONCLUSION AND RECOMMENDATION

In conclusion, SED believes that between 2009 and 2017, PG&E has committed numerous and serious violations of 49 CFR §§ 192 et seq., California Government Code § 4216, and PG&E's own procedures adopted in compliance with the federal and state regulations. As illustrated in Sections VI through X the practice of falsifying its safety records to conceal violations of the excavation law was evident. It resulted in complete breakdown in PG&E's compliance with damage prevention regulations and procedures. SED's preliminary investigation has demonstrated;

- instances of falsification of safety records,
- certain leaders' knowledge about PG&E's falsification of safety records,
- failure to eliminate the practice of falsification even though it was reported repeatedly since 2009,
- instances of under-reporting the number of violations of the excavation requirement internally and to SED.

All of this collectively resulted in over tens of thousands separate and distinct violations of the excavation law and damage prevention regulations.

A. Results of Preliminary Investigation

SED found PG&E's act of falsifying safety records to conceal violation of the excavation requirements (California Government Code § 4216) to be evident. This resulted in a prolonged period of PG&E undercounting its late tickets.

SED's earliest inquiry of late tickets data was made on June 8, 2016. PG&E notified SED, on August 4, 2017, that it was identifying an independent third-party firm to conduct an investigation on under-counting late tickets issue.⁸²¹ PG&E provided SED, on May 2, 2018, with the result of Guidepost's investigation and new late tickets count by Bates White.

B. SED Recommendations

SED recommends that the Commission view PG&E's damage prevention problem regarding its locating and marking as serious and unacceptable. The problems presented

⁸²⁰ See Attachment 2 - PG&E's response (Index 10707.08 Supp02).

⁸²¹ See Attachment 31 - PG&E's Locate and Mark SED Update on August 4, 2017, p.11.

significant risks to the public and went unreported for many years even though PG&E was aware that its system did not properly record late tickets at least as early as 2009 and continued to report to its leaders repeatedly about this issue.

In his Examination Under Oath, [REDACTED], repeated a number of times that his focus is on dig-in rate when SED sought information about PG&E's late tickets-⁸²² He was informed about the late tickets issue directly by [REDACTED] Quality Assurance staffs, and he was also provided with examples of late tickets that were improperly recorded as on-time. He asked [REDACTED], to meet with the Quality Assurance staffs. However, he did not follow up with the [REDACTED] about the late tickets issue.⁸²³ [REDACTED] was [REDACTED].

Further SED notes that tens of thousands of late tickets were identified by a consultant hired by PG&E in each year from 2012 to 2016. Each late ticket is a violation of the California Government Code § 4216 as well as PG&E's own damage prevention procedure, which PG&E is required to follow under 49 CFR Section 192.605(a). PG&E undercounted its late ticket in each of these years on the order of tens of thousands.

⁸²² See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 68-70, 138.

⁸²³ See Attachment 35 - Examination Under Oath transcript of [REDACTED], p. 94.